
Mississippi



Single Audit Report

For the Fiscal Year Ended June 30, 2002

OFFICE OF THE STATE AUDITOR
Phil Bryant, State Auditor

MISSISSIPPI

Single Audit Report

For the Year Ended June 30, 2002



The Mississippi Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2002

has been issued as a separate document.

OFFICE OF THE STATE AUDITOR
PHIL BRYANT, AUDITOR

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

March 21, 2003

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

I am pleased to submit the *Single Audit Report* of the State of Mississippi for the fiscal year ended June 30, 2002. Our audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996, the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Mississippi's audit requirements.

The Single Audit process requires the coordination and cooperation of many state government entities. We are particularly grateful for the efforts of the Mississippi Department of Finance and Administration in compiling data, other state agencies in assisting in the resolution of single audit issues and the efforts of our own outstanding staff.

I am also pleased to report recognition of two other state achievements in financial accounting and reporting:

- for the fifteenth consecutive year the Government Finance Officers Association of the United States and Canada has awarded its Certificate of Achievement for Excellence in Financial Reporting to the Mississippi Department of Finance and Administration for the state's 2001 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2002.

The Governor, Members of the Legislature
and Citizens of the State of Mississippi
Page 2

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2002 has been issued and is available electronically at <http://msonline.state.ms.us/> or by writing to the address below:

Mississippi Department of Finance and Administration
Attention: Bureau of Financial Reporting
P. O. Box 267
Jackson, MS 39205

I continue to be encouraged and enthusiastic about the quality of our government's financial reporting. It is a fair and diligent reflection of the importance our state places on taxpayers' money, as well as the dedication of the state's employees and citizens who must safeguard it. We can all be proud that this report represents another one of the many things we do well in Mississippi.

Respectfully submitted,

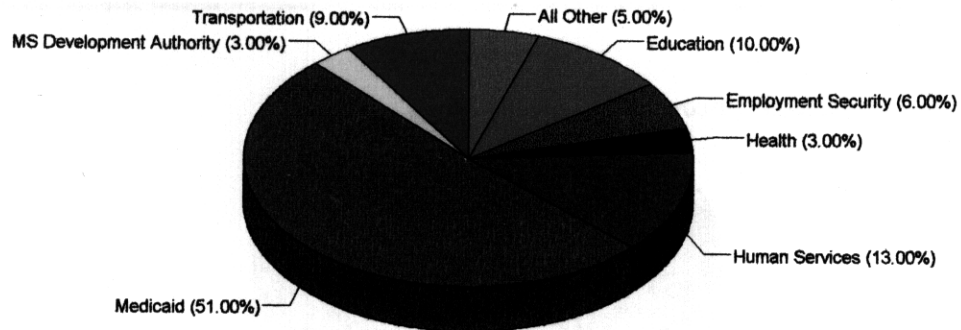
A handwritten signature in black ink, reading "Phil Bryant". The signature is fluid and cursive, with the first name "Phil" and last name "Bryant" clearly distinguishable.

PHIL BRYANT
State Auditor

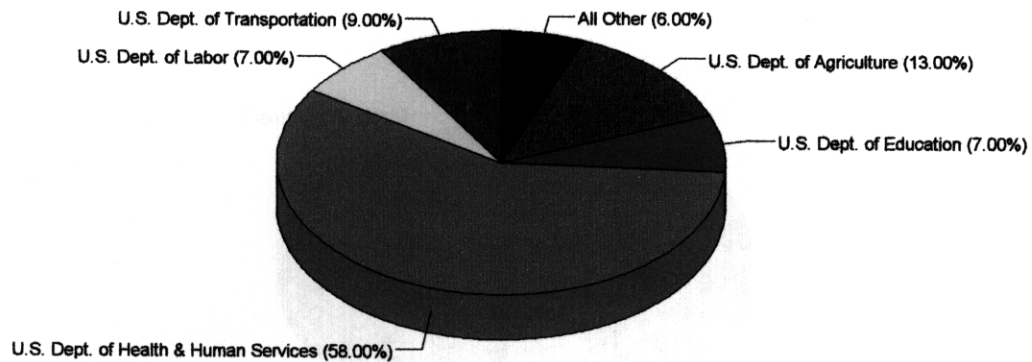
STATE OF MISSISSIPPI

Fiscal Year 2002

Expenditures of Federal Awards by State Grantee Agency



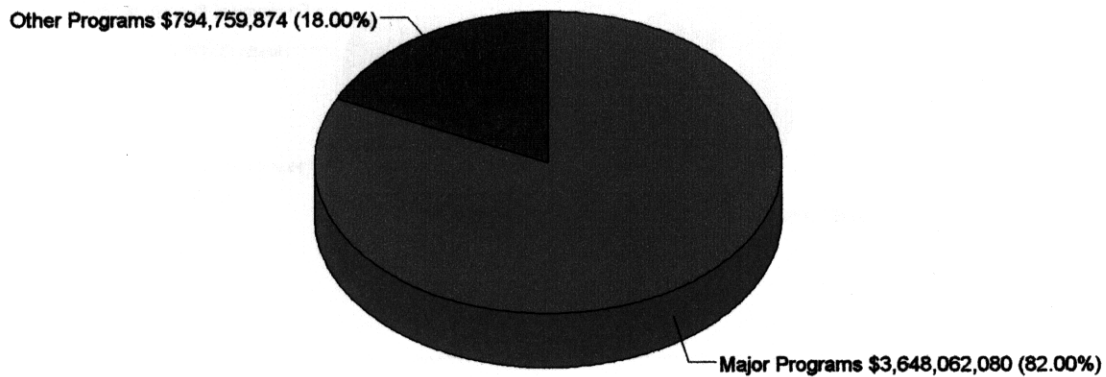
Expenditures of Federal Awards by Federal Department



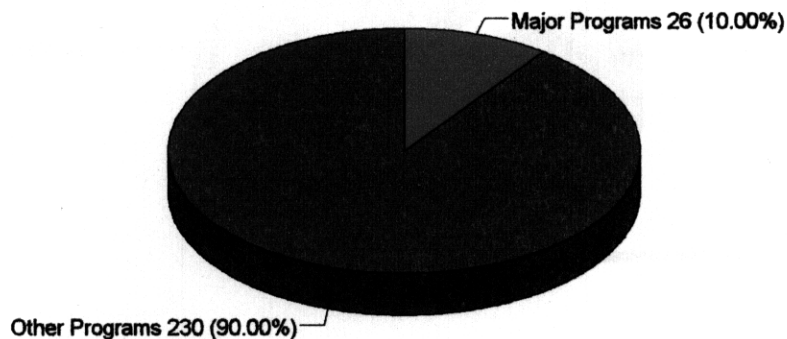
STATE OF MISSISSIPPI

Fiscal Year 2002

Percentage of Major Program Assistance
Total Expenditures of Federal Awards \$4,442,821,954



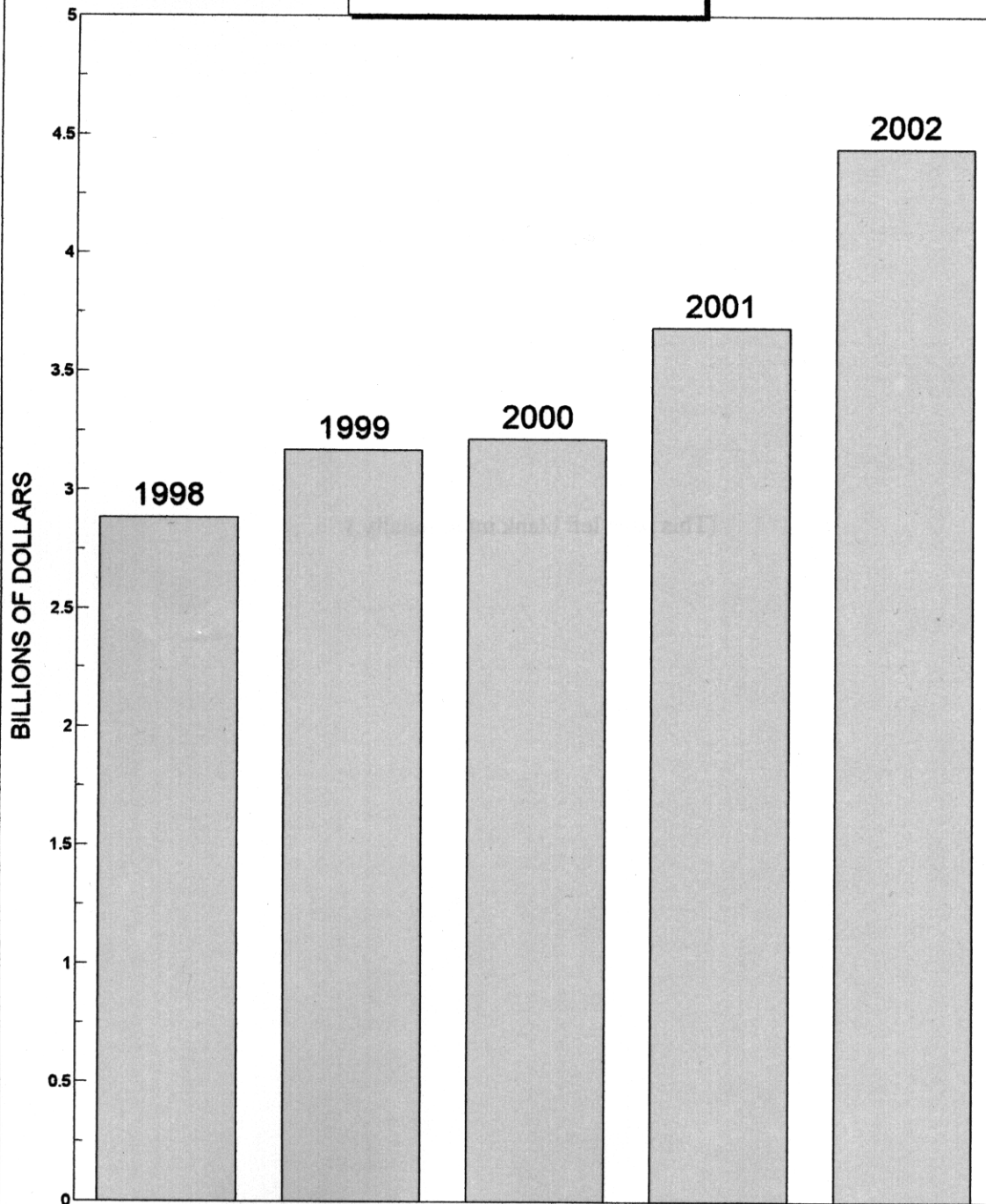
Percentage of Major Program Assistance
256 Programs



STATE OF MISSISSIPPI

Total Federal Financial Assistance

Last Five Fiscal Years



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STATE OF MISSISSIPPI

SINGLE AUDIT REPORT

For the Year Ended June 30, 2002

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I. AUDIT REPORTING





State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Mississippi, as of and for the year ended June 30, 2002, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 9, 2003. We did not audit the financial statements of:

■ Government-wide Financial Statements

● Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund and the State Agencies Self-Insured Workers' Compensation Trust Fund which, in the aggregate, represent 7% and 2%, respectively, of the assets and revenues of the Governmental Activities;

● Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and Allied Enterprises within the Department of Rehabilitation Services which, in the aggregate, represent 32% and 13%, respectively, of the assets and revenues of the Business-type Activities;

● Component Units

- the nonmajor component units which represent 5% and 2%, respectively, of the assets and revenues of the Component Units.

■ Fund Financial Statements

● Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund which represents 8% and less than 1%, respectively, of the assets and revenues of the General Fund;
- the Health Care Trust Fund which represents 99% and 100%, respectively, of the assets and revenues of the Health Care major governmental fund;

- Proprietary Funds

- the Port Authority at Gulfport and the Mississippi Prepaid Affordable College Tuition Program, both of which are considered major enterprise funds;
- the Veterans' Home Purchase Board and the Allied Enterprises Fund which, in the aggregate, represent 67% and 49%, respectively, of the assets and revenues of the nonmajor enterprise funds;
- the State Agencies Self-Insured Workers' Compensation Trust Fund which represents 25% and 3%, respectively, of the assets and revenues of the Internal Service Funds;

- Fiduciary Funds

- the Pension Trust Funds;
- the Mississippi Affordable College Savings Program which represents 86% and 96%, respectively, of the assets and additions to net assets of the Private-Purpose Trust Funds.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us. This report, insofar as it relates to the amounts included for the above mentioned entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the State of Mississippi's basic financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We did not perform tests of compliance with laws, regulations, contracts and grants for the entities identified in the first paragraph of this report. Those tests were performed by other auditors, whose reports on compliance with laws and regulations in accordance with *Government Auditing Standards* were furnished to us, and this report, insofar as it relates to the above mentioned entities was based solely on the reports of the other auditors.

The results of our tests and the reports of other auditors disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we and the other auditors noted certain immaterial instances of noncompliance, which we have reported to management of the State of Mississippi in separate communications.

Internal Control over Financial Reporting

In planning and performing our audit, we and other auditors considered the State of Mississippi's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. The reports of the other auditors on internal controls in accordance with *Government Auditing Standards* were furnished to us, and our consideration of internal controls, insofar as it relates to the above mentioned entities, was based solely on the reports of the other auditors. However, this report does not include reportable conditions, if any, for the major component unit, Universities, which will be presented in a separate report issued by the Office of the State Auditor.

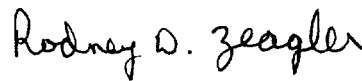
We noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Mississippi's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. The reportable condition we noted is described on page 51 of the accompanying "Schedule of Findings and Questioned Costs: Part 2 - Financial Statement Findings."

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting, based on our audit and the reports of the other auditors, would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

We and the other auditors also noted other matters involving the internal control over financial reporting, which we have reported to management of the State of Mississippi in separate communications.

This report is intended solely for the information and use of management, the Governor, Members of the Legislature, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


PHIL BRYANT
State Auditor


RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance
Audit Division

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Governor, Members of Legislature
and Citizens of the State of Mississippi

Compliance

We have audited the compliance of the State of Mississippi with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The State of Mississippi's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Mississippi's management. Our responsibility is to express an opinion on the State of Mississippi's compliance based on our audit.

Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Mississippi's compliance with those requirements.

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi or the Mississippi Authority for Educational Television. The audit of these federal programs will be conducted in accordance with the provisions of OMB Circular A-133, and separate reports will be issued.

Report on Compliance with Requirements
Applicable to Each Major Program and on
Internal Control over Compliance in
Accordance with OMB Circular A-133
Page 2

In our opinion the State of Mississippi complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002. We did not test the transactions and records of the major federal programs administered by the state's public universities or the Mississippi Authority for Educational Television for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

The results of our auditing procedures, however, disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as item 02-21 (page 75).

In addition, we noted certain other immaterial instances of noncompliance, which we have reported to management of the State of Mississippi in separate communications.

Internal Control over Compliance

The management of the State of Mississippi is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State of Mississippi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, excluding the federal programs of the state's public universities and the Mississippi Authority for Educational Television as discussed in the third paragraph of this report.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the State of Mississippi's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described on pages 53 through 92 of the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs."

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider none to be material weaknesses.

We also noted other matters involving internal control over compliance and its operation, which we have reported to management of the State of Mississippi in separate communications.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the State of Mississippi as of and for the year ended June 30, 2002, and have issued our report thereon dated January 9, 2003. We did not audit the financial statements of:

■ Government-wide Financial Statements

● Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund and the State Agencies Self-Insured Workers' Compensation Trust Fund which, in the aggregate, represent 7% and 2%, respectively, of the assets and revenues of the Governmental Activities;

● Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and Allied Enterprises within the Department of Rehabilitation Services which, in the aggregate, represent 32% and 13%, respectively, of the assets and revenues of the Business-type Activities;

● Component Units

- the nonmajor component units which represent 5% and 2%, respectively, of the assets and revenues of the Component Units.

■ Fund Financial Statements

● Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund which represents 8% and less than 1%, respectively, of the assets and revenues of the General Fund;
- the Health Care Trust Fund which represents 99% and 100%, respectively, of the assets and revenues of the Health Care major governmental fund;

● Proprietary Funds

- the Port Authority at Gulfport and the Mississippi Prepaid Affordable College Tuition Program, both of which are considered major enterprise funds;
- the Veterans' Home Purchase Board and the Allied Enterprises Fund which, in the aggregate, represent 67% and 49%, respectively, of the assets and revenues of the nonmajor enterprise funds;
- the State Agencies Self-Insured Workers' Compensation Trust Fund which represents 25% and 3%, respectively, of the assets and revenues of the Internal Service Funds;

● Fiduciary Funds

- the Pension Trust Funds;
- the Mississippi Affordable College Savings Program which represents 86% and 96%, respectively, of the assets and additions to net assets of the Private-Purpose Trust Funds.

Those financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the above named entities, is based solely upon the reports of the other auditors.

The State of Mississippi has excluded federal programs administered by public universities and the Mississippi Authority for Educational Television from the accompanying schedules of expenditures of federal awards, as more fully described in Note 2 to the schedules. The state's public universities and the Mississippi Authority for Educational Television will be audited in accordance with statutory requirements and the provisions of OMB Circular A-133, and separate reports will be issued.

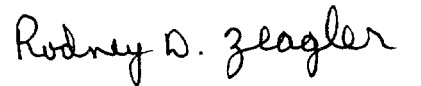
Report on Compliance with Requirements
Applicable to Each Major Program and on
Internal Control over Compliance in
Accordance with OMB Circular A-133
Page 5

Our audit and the audits of the other auditors were performed for the purpose of forming an opinion on the basic financial statements of the State of Mississippi and on the entities listed above, respectively, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards by Federal Department and the Schedule of Expenditures of Federal Awards by State Grantee Agency are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the basic financial statements. The information in the schedules of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based upon our audit and the audit reports of the other auditors, except for the effect of the omission described in the preceding paragraph, the information in the schedules of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Governor, Members of the Legislature, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance
Audit Division

Jackson, Mississippi
February 11, 2003, except for the Schedule of Expenditures of Federal Awards, as to which the date is
January 9, 2003.

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Schedule of Expenditures of Federal Awards by Federal Department



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
OFFICE OF NATIONAL DRUG CONTROL POLICY			
07. UN	HIDTA (High Intensity Drug Trafficking Area)	Marine Resources /Narcotics	\$ 140,064
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			140,064
U.S. DEPARTMENT OF AGRICULTURE			
10. 025	Plant and Animal Disease, Pest Control, and Animal Care	Plant Industry /Animal Health	210,686
10. 163	Market Protection and Promotion	Plant Industry	18,885
10. 475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	2,185,355
10. 550@	Food Donation	Education	13,646,000
10. 557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	56,949,183
10. 558	Child and Adult Care Food Program	Education	27,730,239
10. 560	State Administrative Expenses for Child Nutrition	Education	2,092,268
10. 565	Commodity Supplemental Food Program	Health	239,012
10. 570	Nutrition Services Incentive	Human Services	2,296,582
10. 574	Team Nutrition Grants	Education	61,533
10. 664	Cooperative Forestry Assistance	Forestry Commission	1,474,791
10. 902	Soil and Water Conservation	Soil & Water Conservation Commission	889,733
10. 950	Agricultural Statistics Reports	Agriculture and Commerce	110,112
SUBTOTAL			107,904,379
Food Stamp Cluster			
10. 551@	Food Stamps	Human Services	289,354,605
10. 561	State Administrative Matching Grants for Food Stamp Program	Human Services	30,564,551
Total Food Stamp Cluster			319,919,156
Child Nutrition Cluster			
10. 553	School Breakfast Program	Education	33,392,836
10. 555	National School Lunch Program	Education	105,012,875
10. 556	Special Milk Program for Children	Education	9,003
10. 559	Summer Food Service Program for Children	Education	109,267
Total Child Nutrition Cluster			138,305,447
Emergency Food Assistance Cluster			
10. 568	Emergency Food Assistance Program (Administrative Costs)	Human Services	845,583
10. 569@	Emergency Food Assistance Program (Food Commodities)	Human Services	5,226,204
Total Emergency Food Assistance Cluster			6,071,787
TOTAL U.S. DEPARTMENT OF AGRICULTURE			572,200,769

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
U.S. DEPARTMENT OF COMMERCE			
11. 407	Interjurisdictional Fisheries Act of 1986	Marine Resources	65,696
11. 419	Coastal Zone Management Administration Awards	Secretary of State /Marine Resources /Environmental Quality	4,839,431
11. 420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	262,686
11. 434	Cooperative Fishery Statistics	Marine Resources	80,154
11. 477	Fisheries Disaster Relief	Marine Resources	304,942
TOTAL U.S. DEPARTMENT OF COMMERCE			5,552,909
U.S. DEPARTMENT OF DEFENSE			
12. AAD	National Guard Special Military Operations and Projects	Military Department	4,740,775
12. UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	147,823
12. UN2	Wildlife Mitigation Projects (Passed-through from U.S. Army Corps of Engineers. Identifying Number assigned by the pass- through entity - DACW01391543S, DACW01391500S, DACW01392411S, DACW01392410S, DACW3891H007S, and DACW3891H010S.)	Wildlife, Fisheries and Parks	1,132,372
12. UN4	National Guard Regional Counterdrug Training Academy	Military Department	154,807
12. 113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	119,472
12. 400	Military Construction, National Guard	Military Department	5,150,178
12. 401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	27,157,040
12. 404	National Guard Civilian Youth Opportunities	Military Department	2,823,514
TOTAL U.S. DEPARTMENT OF DEFENSE			41,425,981
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
14. 169	Housing Counseling Assistance Program	Human Services	1,113
14. 228	Community Development Block Grants/State's Program	MS Development Authority	40,413,410
14. 231	Emergency Shelter Grants Program	MS Development Authority	1,518,392
14. 239	HOME Investment Partnerships Program	MS Development Authority	14,987,934
14. 241	Housing Opportunities for Persons with AIDS	Health	589,695
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			57,508,318
U.S. DEPARTMENT OF THE INTERIOR			
15. 250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	119,939
15. 612	Rare and Endangered Species Conservation	Wildlife, Fisheries and Parks	156,252
15. 614	Coastal Wetlands Planning, Protection and Restoration Act	Marine Resources	119,702
15. 616	Clean Vessel Act	Marine Resources	12,762
15. 808	U.S. Geological Survey-Research and Data Acquisition	Environmental Quality	1,642
15. 810	National Cooperative Geologic Mapping Program	Environmental Quality	68,576
15. 904	Historic Preservation Fund Grants-In-Aid	Archives and History	1,312,745

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
15. 916	Outdoor Recreation-Acquisition, Development and Planning	Wildlife, Fisheries and Parks	177,666
	SUBTOTAL		1,969,284
	Fish and Wildlife Cluster		
15. 605	Sport Fish Restoration	Marine Resources	3,516,638
15. 611	Wildlife Restoration	Wildlife, Fisheries and Parks	2,891,122
	Total Fish and Wildlife Cluster		6,407,760
	TOTAL U.S. DEPARTMENT OF THE INTERIOR		8,377,044
	U.S. DEPARTMENT OF JUSTICE		
16. UN	Domestic Cannabis Eradication/Suppression Program	Narcotics	187,736
16. UN1	COPS Methamphetamine Grant	Narcotics	637,726
16. 523	Juvenile Accountability Incentive Block Grants	Public Safety	933,161
16. 540	Juvenile Justice and Delinquency Prevention-Allocation to States	Public Safety	765,138
16. 547	Victims of Child Abuse	Public Safety	243,250
16. 549	Part E-State Challenge Activities	Public Safety	15,669
16. 554	National Criminal History Improvement Program (NCHIP)	Public Safety	648,888
16. 564	Crime Laboratory Improvement-Combined Offender DNA Index System Backlog Reduction	Public Safety	82,007
16. 575	Crime Victim Assistance	Public Safety	3,015,912
16. 576	Crime Victim Compensation	Finance and Administration	425,000
16. 579	Byrne Formula Grant Program	Public Safety	5,058,747
16. 586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	Corrections	2,563,378
16. 588	Violence Against Women Formula Grants	Public Safety	1,545,978
16. 589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	Public Safety	298,010
16. 592	Local Law Enforcement Block Grants Program	Public Safety	290,495
16. 593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	401,008
16. 607	Bulletproof Vest Partnership Program	Marine Resources	9,690
16. 727	Enforcing Underage Drinking Laws Program	Public Safety	399,242
	TOTAL U.S. DEPARTMENT OF JUSTICE		17,521,035
	U.S. DEPARTMENT OF LABOR		
17. UN	Job Corps	Employment Security	937,069
17. 002	Labor Force Statistics	Employment Security	701,142
17. 005	Compensation and Working Conditions	Health	11,033
17. 203	Labor Certification for Alien Workers	Employment Security	56,733
17. 225#	Unemployment Insurance	Employment Security	242,554,695
17. 235	Senior Community Service Employment Program	Human Services	955,561
17. 245	Trade Adjustment Assistance-Workers	Employment Security	1,032,695
17. 249	Employment Services and Job Training Pilots - Demonstrations and Research	Education	3,539,008
17. 504	Consultation Agreements	Health	27,179

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
17. 600	Mine Health and Safety Grants	Environmental Quality	53,385
	SUBTOTAL		249,868,500
	Employment Services Cluster		
17. 207	Employment Services (Passed-through from Georgia State University. Identifying number assigned by the pass-through entity is ALY51-08.)	MS Development Authority /Employment Security	8,069,680
17. 801	Disabled Veterans' Outreach Program (DVOF)	Employment Security	527,743
17. 804	Local Veterans' Employment Representative Program	Employment Security	988,224
	Total Employment Services Cluster		9,585,647
	JTPA Cluster		
17. 246	Employment and Training Assistance - Dislocated Workers	MS Development Authority	349,912
17. 250	Job Training Partnership Act	MS Development Authority	709
	Total JTPA Cluster		349,203
	WIA Cluster		
17. 258	WIA Adult Program	MS Development Authority	14,278,600
17. 259	WIA Youth Activities	MS Development Authority	15,881,449
17. 260	WIA Dislocated Workers	MS Development Authority	13,628,751
	Total WIA Cluster		43,788,800
	TOTAL U.S. DEPARTMENT OF LABOR		303,592,150
	U.S. DEPARTMENT OF TRANSPORTATION		
20. UN1	Fatal Analysis Reporting System	Public Safety	57,157
20. 005	Boating Safety Financial Assistance	Wildlife, Fisheries and Parks	684,944
20. 218	National Motor Carrier Safety	Public Service Commission	2,129,362
20. 219	Recreational Trails Program	Wildlife, Fisheries and Parks	483,594
20. 505	Federal Transit-Metropolitan Planning Grants	Transportation	284,892
20. 509	Formula Grants for Other Than Urbanized Areas	Transportation	3,406,180
20. 513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	918,754
20. 516	Job Access-Reverse Commute	Transportation	109,636
20. 700	Pipeline Safety	Public Service Commission	221,728
20. 703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	98,863
	SUBTOTAL		8,395,110
	Highway Planning and Construction Cluster		
20. 205	Highway Planning and Construction	Transportation	390,006,197
	Total Highway Planning and Construction Cluster		390,006,197

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>State Grantee Agency</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
20. 500	Federal Transit Cluster Federal Transit-Capital Investment Grants	Transportation	174,800
	Total Federal Transit Cluster		<u>174,800</u>
20. 600	Highway Safety Cluster State and Community Highway Safety	Public Safety	3,795,561
20. 601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	Public Safety	10,761
	Total Highway Safety Cluster		<u>3,784,800</u>
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>402,360,907</u>
	<u>APPALACHIAN REGIONAL COMMISSION</u>		
23. 002	Appalachian Area Development	MS Development Authority	1,079,565
23. 011	Appalachian State Research, Technical Assistance, and Demonstration Projects	MS Development Authority	150,976
	TOTAL APPALACHIAN REGIONAL COMMISSION		<u>1,230,541</u>
	<u>GENERAL SERVICES ADMINISTRATION</u>		
39. 003@	Donation of Federal Surplus Personal Property	Finance and Administration	17,029,829
	TOTAL GENERAL SERVICES ADMINISTRATION		<u>17,029,829</u>
	<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>		
45. 025	Promotion of the Arts-Partnership Agreements	Arts Commission	761,915
45. 026	Promotion of the Arts-Leadership Initiatives	Arts Commission	35,726
45. 310	State Library Program	Library Commission	1,750,791
	TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		<u>2,548,432</u>
	<u>TENNESSEE VALLEY AUTHORITY</u>		
62. UN	Low-Income Pilot Program	Human Services	9,805
	TOTAL TENNESSEE VALLEY AUTHORITY		<u>9,805</u>
	<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>		
64. 124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	90,124
	TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS		<u>90,124</u>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>State Grantee Agency</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
ENVIRONMENTAL PROTECTION AGENCY			
66. 032	State Indoor Radon Grants	Health	44,407
66. 419	Water Pollution Control-State and Interstate Program Support	Environmental Quality	647,494
66. 432	State Public Water System Supervision	Health	1,198,658
66. 433	State Underground Water Source Protection	Environmental Quality	166,034
		/Oil and Gas Board	
66. 454	Water Quality Management Planning	Environmental Quality	95,667
66. 458	Capitalization Grants for State Revolving Funds	Environmental Quality	7,288,930
66. 460	Nonpoint Source Implementation Grant	Environmental Quality	3,056,687
66. 461	Wetlands Grants	Secretary of State	285,306
		/Marine Resources	
66. 463	Water Quality Cooperative Agreements	Environmental Quality	585,443
66. 467	Wastewater Operator Training Grant Program (Technical Assistance)	Environmental Quality	25,236
66. 468	Capitalization Grants for Drinking Water State Revolving Fund	Health	14,436,220
66. 470	Hardship Program for Rural Communities	Environmental Quality	256,220
66. 500	Environmental Protection Consolidated Research	Environmental Quality	212,549
66. 605	Performance Partnership Grants	Environmental Quality	4,365,009
66. 606	Surveys, Studies, Investigations and Special Purpose Grants	Health	529,004
		/Marine Resources	
		/Environmental Quality	
66. 700	Consolidated Pesticide Enforcement Cooperative Agreements	Plant Industry	334,679
66. 701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	65,478
66. 707	TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	Environmental Quality	385,702
66. 708	Pollution Prevention Grants Program	Environmental Quality	77,009
66. 709	Capacity Building Grants and Cooperative Agreements for States and Tribes	Environmental Quality	17,010
66. 802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Environmental Quality	197,185
66. 804	State and Tribal Underground Storage Tanks Program	Environmental Quality	183,878
66. 805	Leaking Underground Storage Tank-Trust Fund	Environmental Quality	1,356,149
66. 808	Solid Waste Management Assistance	Environmental Quality	11,768
66. 809	Superfund State and Indian Tribe Core Program-Cooperative Agreements	Environmental Quality	566,100
66. 810	CEPP Technical Assistance Grants Program	Environmental Quality	3,916
TOTAL ENVIRONMENTAL PROTECTION AGENCY			36,391,738
U.S. DEPARTMENT OF ENERGY			
81. UN1	Petroleum Violation Escrow - Stripper Well	Treasury	1,435,571
81. UN2	Petroleum Violation Escrow - Citronelle/Exxon	Treasury	3,120
81. UN5	Petroleum Violation Escrow - State Escrow Distribution/Refund Fuels	Treasury	1,094
81. UN7	Oversight of Investigation of Salmon Site	Environmental Quality	177
81. 041	State Energy Program	Treasury	435,829
		/MS Development Authority	
81. 042	Weatherization Assistance for Low-Income Persons	Treasury	1,053,553
		/Human Services	
81. 089	Fossil Energy Research and Development	Environmental Quality	15
81. 106	Transport of Transuranic Wastes to the Waste Isolation Pilot	Emergency Management	199,902

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>State Grantee Agency</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
81. 117	Plant: States and Tribal Concerns, Proposed Solutions Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/ Assistance	MS Development Authority	8,709
81. 119	State Energy Program Special Projects	MS Development Authority	97,199
TOTAL U.S. DEPARTMENT OF ENERGY			3,235,139
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
83. UN	Emergency Operations Center Grant	Emergency Management	52,800
83. 105	Community Assistance Program-State Support Services Element (CAP-SSSE)	Emergency Management	40,835
83. 536	Flood Mitigation Assistance	Emergency Management	830,617
83. 541	Disaster Unemployment Assistance	Employment Security	52,450
83. 543	Individual and Family Grants	Emergency Management	2,137,100
83. 544	Public Assistance Grants	Emergency Management	14,993,360
83. 547	First Responder Counter-Terrorism Training Assistance	State Fire Academy	144,232
83. 548	Hazard Mitigation Grant	Emergency Management	9,793,350
83. 550	National Dam Safety Program	Environmental Quality	173,021
83. 552	Emergency Management Performance Grants	Emergency Management	1,887,947
83. 553	State Fire Training Systems Grants	State Fire Academy	7,465
83. 557	Pre-Disaster Mitigation	Emergency Management	1,990
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			30,115,167
<u>U.S. DEPARTMENT OF EDUCATION</u>			
84. 002	Adult Education-State Grant Program	Bd for Community and Junior Colleges	6,440,128
84. 010	Title I Grants to Local Educational Agencies	Education	122,586,236
84. 011	Migrant Education-State Grant Program	Education	243,391
84. 013	Title I Program for Neglected and Delinquent Children	Education	1,094,617
84. 048	Vocational Education-Basic Grants to States	Education	13,497,994
84. 126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Rehabilitation Services	41,863,112
84. 158	Secondary Education and Transitional Service- for Youth with Disabilities	Education	107,247
84. 169	Independent Living-State Grants	Rehabilitation Services	343,652
84. 177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	390,029
84. 181	Special Education-Grants for Infants and Families with Disabilities	Health	4,177,216
84. 185	Byrd Honors Scholarships	Education	424,860
84. 186	Safe and Drug-Free Schools and Communities-State Grants	Public Safety /Education	5,358,517
84. 187	Supported Employment Services for Individuals with Severe Disabilities	Rehabilitation Services	232,212
84. 194	Bilingual Education Support Services	Education	91,546
84. 196	Education for Homeless Children and Youth	Education	473,082
84. 213	Even Start-State Educational Agencies	Education	1,911,970
84. 215	Fund for the Improvement of Education	Education	118,767
84. 216	Capital Expenses	Education	131,048
84. 224	Assistive Technology	Rehabilitation Services	301,144
84. 235	Rehabilitation Services Demonstration and Training-Special	Rehabilitation Services	13,999

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
	Demonstration Programs		
84. 243	Tech-Prep Education	Education	1,641,170
84. 265	Rehabilitation Training-State Vocational Rehabilitation Unit	Rehabilitation Services	125,068
	In-Service Training		
84. 276	Goals 2000 - State and Local Education Systemic Improvement Grants	Education	5,776,838
84. 281	Eisenhower Professional Development State Grants	Education	3,974,075
84. 298	Innovative Education Program Strategies	Education	4,265,517
84. 314	Even Start-Statewide Family Literacy Program	Education	270,304
84. 318	Technology Literacy Challenge Fund Grants	Education	6,861,198
84. 330	Advanced Placement Program	Education	25,144
84. 331	Grants to States for Incarcerated Youth Offenders	Education	231,875
84. 332	Comprehensive School Reform Demonstration	Education	2,283,702
84. 338	Reading Excellence	Education	13,730,504
84. 340	Class Size Reduction	Education	23,926,724
84. 342	Preparing Tomorrow's Teachers to Use Technology	Education	400,327
84. 346	Occupational and Employment Information State Grants	MS Development Authority	125,200
84. 348	Title I Accountability Grants	Education	2,279,206
84. 351	Arts in Education	Arts Commission	94,070
84. 352	School Renovation Grants	Education	1,477,469
	SUBTOTAL		267,289,158
	Special Education Cluster		
84. 027	Special Education-Grants to States	Education	55,745,992
84. 173	Special Education-Preschool Grants	Education	3,820,982
	Total Special Education Cluster		59,566,974
	TRIO Cluster		
84. 044	TRIO-Talent Search	Education	311,454
	Total TRIO Cluster		311,454
	TOTAL U.S. DEPARTMENT OF EDUCATION		327,167,586
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93. 041	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	67,829
93. 042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	Human Services	88,821
93. 043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	Human Services	129,970
93. 048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	Human Services	80,310
93. 049	Special Programs for the Aging-Title VII, Chapter 6 - Allotments for Vulnerable Elder Rights Protection Programs	Human Services	8,112
93. 052	National Family Caregiver Support	Human Services	170,455
93. 104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	1,984,553
93. 110	Maternal and Child Health Federal Consolidated Programs	Health	194,926
93. 116	Project Grants and Cooperative Agreements for Tuberculosis	Health	1,235,904

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
	Control Programs		
93. 127	Emergency Medical Services for Children	Health	162,723
93. 130	Primary Care Services-Resource Coordination and Development	Health	328,623
93. 136	Injury Prevention and Control Research and State and Community Based Programs	Health	148,321
93. 150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	193,203
93. 161	Health Program for Toxic Substances and Disease Registry	Health	31,952
93. 217	Family Planning-Services	Health	3,887,985
93. 230	Consolidated Knowledge Development and Application (KD&A) Program	Mental Health	173,001
93. 235	Abstinence Education	Health	1,349,195
93. 241	State Rural Hospital Flexibility Program	Health	80,743
93. 251	Universal Newborn Hearing Screening	Health	104,462
93. 268@	Immunization Grants	Health	7,655,460
93. 283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	Health	1,623,541
93. 556	Promoting Safe and Stable Families	Human Services	3,310,503
93. 558	Temporary Assistance for Needy Families	Human Services	147,002,719
93. 560	Family Support Payments to States-Assistance Payments	Human Services	2,603,700
93. 563	Child Support Enforcement	Human Services	12,222,269
93. 566	Refugee and Entrant Assistance-State Administered Programs	Human Services	1,400,073
93. 568	Low-Income Home Energy Assistance	Treasury	10,389,793
		/Human Services	
93. 569	Community Services Block Grant	Human Services	9,571,286
93. 570	Community Services Block Grant-Discretionary Awards	Human Services	7,623
93. 571	Community Services Block Grant Discretionary Awards- Community Food and Nutrition	Human Services	67,583
93. 572	Emergency Community Services for the Homeless	Human Services	12,577
93. 574	Child Care for Families At-Risk of Welfare Dependency	Human Services	112,281
93. 576	Refugee and Entrant Assistance-Discretionary Grants	Health	157,420
		/Human Services	
93. 585	Empowerment Zones Program	MS Development Authority	6,125,999
93. 586	State Court Improvement Program	Supreme Court	125,469
93. 597	Grants to States for Access and Visitation Programs	Human Services	70,315
93. 600	Head Start	Education	114,005
93. 603	Adoption Incentive Payments	Human Services	337,534
93. 630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	880,214
93. 643	Children's Justice Grants to States	Human Services	176,282
93. 645	Child Welfare Services-State Grants	Human Services	3,837,519
93. 652	Adoption Opportunities	Human Services	144,184
93. 658	Foster Care-Title IV-E	Human Services	9,910,690
93. 659	Adoption Assistance	Human Services	3,603,371
93. 667	Social Services Block Grant	Human Services	7,979,827
93. 669	Child Abuse and Neglect State Grants	Human Services	376,899
93. 671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	Health	849,637
93. 673	Grants to States for Planning and Development of Dependent Care Programs	Human Services	5,822
93. 674	Chafee Foster Care Independent Living	Human Services	418,024
93. 767	State Children's Insurance Program	Medicaid	66,051,478
93. 769	Demonstration to Maintain Independence and Employment	Medicaid	19,666
93. 779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Medicaid	758,692
		/Human Services	
93. 913	Grants to States for Operation of Offices of Rural Health	Health	21,231
93. 917	HIV Care Formula Grants	Health	5,686,228
93. 919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	Health	762,881

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	Federal Department/Program Name	State Grantee Agency	Federal Expenditures/ Distributions/ Issuances
93. 938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	147,752
93. 940	HIV Prevention Activities-Health Department Based	Health	1,719,937
93. 944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	230,386
93. 945	Assistance Programs for Chronic Disease Prevention and Control	Health	585,631
93. 958	Block Grants for Community Mental Health Services	Mental Health	3,669,062
93. 959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	14,319,609
93. 977@	Preventive Health Services-Sexually Transmitted Diseases Control Grants	Health	1,554,188
93. 988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	Health	190,538
93. 991	Preventive Health and Health Services Block Grant	Health	2,088,989
93. 994@	Maternal and Child Health Services Block Grant to the States	Health	11,521,530
SUBTOTAL			350,605,299
Aging Cluster			
93. 044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	Human Services	3,899,455
93. 045	Special Programs for the Aging-Title III, Part C-Nutrition Services	Human Services	5,067,321
Total Aging Cluster			8,966,776
Child Care Cluster			
93. 575	Child Care and Development Block Grant	Human Services	32,090,224
93. 596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	9,565,254
Total Child Care Cluster			41,655,478
Medicaid Cluster			
93. 775	State Medicaid Fraud Control Units	Attorney General	1,163,117
93. 777	State Survey and Certification of Health Care Providers and Suppliers	Health	2,157,593
93. 778	Medical Assistance Program	/Medicaid Medicaid	2,188,563,399
Total Medicaid Cluster			2,191,884,109
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,593,111,662
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
94. 004	Learn and Serve America-School and Community Based Programs	Education	870,041
94. 007	Planning and Program Development Grants	Education	140,833
SUBTOTAL			1,010,874

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>State Grantee Agency</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
94. 016	Foster Grandparent/Senior Companion Cluster Senior Companion Program	Human Services	134,737
	Total Foster Grandparent/Senior Companion Cluster		<u>134,737</u>
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		<u>1,145,611</u>
	<u>SOCIAL SECURITY ADMINISTRATION</u>		
96. 008	Social Security-Benefits Planning, Assistance, and Outreach Program	Rehabilitation Services	205,483
	SUBTOTAL		<u>205,483</u>
96. 001	Disability Insurance/SSI Cluster Social Security-Disability Insurance	Rehabilitation Services	21,861,660
	Total Disability Insurance/SSI Cluster		<u>21,861,660</u>
	TOTAL SOCIAL SECURITY ADMINISTRATION		<u>22,067,143</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 4,442,821,954</u>

EXPLANATION OF FOOTNOTE REFERENCE:

Program number with UN denotes unknown CFDA numbers.

The total expenditures for CFDA No. 17.225 include state expenditures of \$188,563,720 and federal expenditures of \$53,990,975. Federal expenditures consist of both cash and noncash benefits.

@Denotes federal programs with noncash benefits.

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

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**Schedule of Expenditures of Federal Awards
by State Grantee Agency**



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
<u>AGRICULTURE AND COMMERCE</u>		
	U.S. Department of Agriculture	
10. 475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	\$ 2,185,355
10. 950	Agricultural Statistics Reports	<u>110,112</u>
	Total U.S. Department of Agriculture	<u>2,295,467</u>
	TOTAL AGRICULTURE AND COMMERCE	<u>2,295,467</u>
<u>ANIMAL HEALTH</u>		
	U.S. Department of Agriculture	
10. 025	Plant and Animal Disease, Pest Control, and Animal Care	<u>43,327</u>
	TOTAL ANIMAL HEALTH	<u>43,327</u>
<u>ARCHIVES AND HISTORY</u>		
	U.S. Department of the Interior	
15. 904	Historic Preservation Fund Grants-In-Aid	<u>1,312,745</u>
	TOTAL ARCHIVES AND HISTORY	<u>1,312,745</u>
<u>ARTS COMMISSION</u>		
	National Foundation on the Arts and the Humanities	
45. 025	Promotion of the Arts-Partnership Agreements	761,915
45. 026	Promotion of the Arts-Leadership Initiatives	<u>35,726</u>
	Total National Foundation on the Arts and the Humanities	<u>797,641</u>
	U.S. Department of Education	
84. 351	Arts in Education	<u>94,070</u>
	TOTAL ARTS COMMISSION	<u>891,711</u>
<u>ATTORNEY GENERAL</u>		
	U.S. Department of Health and Human Services	
93. 775	State Medicaid Fraud Control Units	<u>1,163,117</u>
	TOTAL ATTORNEY GENERAL	<u>1,163,117</u>
<u>BD FOR COMMUNITY AND JUNIOR COLLEGES</u>		

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
84. 002	U.S. Department of Education Adult Education-State Grant Program	6,440,128
	TOTAL BD FOR COMMUNITY AND JUNIOR COLLEGES	6,440,128
	CORRECTIONS	
16. 586	U.S. Department of Justice Violent Offender Incarceration and Truth in Sentencing Incentive Grants	2,563,378
	TOTAL CORRECTIONS	2,563,378
	EDUCATION	
	U.S. Department of Agriculture	
10. 550@	Food Donation	13,646,000
10. 553	School Breakfast Program	33,392,836
10. 555	National School Lunch Program	105,012,875
10. 556	Special Milk Program for Children	9,003
10. 558	Child and Adult Care Food Program	27,730,239
10. 559	Summer Food Service Program for Children	109,267
10. 560	State Administrative Expenses for Child Nutrition	2,092,268
10. 574	Team Nutrition Grants	61,533
	Total U.S. Department of Agriculture	181,835,487
	U.S. Department of Defense	
12. UN1	Teacher and Teacher's Aide Placement Assistance Program	147,823
	U.S. Department of Labor	
17. 249	Employment Services and Job Training Pilots - Demonstrations and Research	3,539,008
	U.S. Department of Education	
84. 010	Title I Grants to Local Educational Agencies	122,586,236
84. 011	Migrant Education-State Grant Program	243,391
84. 013	Title I Program for Neglected and Delinquent Children	1,094,617
84. 027	Special Education-Grants to States	55,745,992
84. 044	TRIO-Talent Search	311,454
84. 048	Vocational Education-Basic Grants to States	13,497,994
84. 158	Secondary Education and Transitional Services for Youth with Disabilities	107,247
84. 173	Special Education-Preschool Grants	3,820,982
84. 185	Byrd Honors Scholarships	424,860
84. 186	Safe and Drug-Free Schools and Communities-State Grants	4,394,005
84. 194	Bilingual Education Support Services	91,546
84. 196	Education for Homeless Children and Youth	473,082
84. 213	Even Start-State Educational Agencies	1,911,970
84. 215	Fund for the Improvement of Education	118,767
84. 216	Capital Expenses	131,048
84. 243	Tech-Prep Education	1,641,170
84. 276	Goals 2000 - State and Local Education Systemic Improvement Grants	5,776,838

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
84. 281	Eisenhower Professional Development State Grants	3,974,075
84. 298	Innovative Education Program Strategies	4,265,517
84. 314	Even Start-Statewide Family Literacy Program	270,304
84. 318	Technology Literacy Challenge Fund Grants	6,861,198
84. 330	Advanced Placement Program	25,144
84. 331	Grants to States for Incarcerated Youth Offenders	231,875
84. 332	Comprehensive School Reform Demonstration	2,283,702
84. 338	Reading Excellence	13,730,504
84. 340	Class Size Reduction	23,926,724
84. 342	Preparing Tomorrow's Teachers to Use Technology	400,327
84. 348	Title I Accountability Grants	2,279,206
84. 352	School Renovation Grants	1,477,469
	Total U.S. Department of Education	272,097,244
	U.S. Department of Health and Human Services	
93. 600	Head Start	114,005
93. 938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	147,752
	Total U.S. Department of Health and Human Services	261,757
	Corporation for National and Community Service	
94. 004	Learn and Serve America-School and Community Based Programs	870,041
94. 007	Planning and Program Development Grants	140,833
	Total Corporation for National and Community Service	1,010,874
	TOTAL EDUCATION	458,892,193
	EMERGENCY MANAGEMENT	
	U.S. Department of Transportation	
20. 703	Interagency Hazardous Materials Public Sector Training and Planning Grants	98,863
	U.S. Department of Energy	
81. 106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	199,902
	Federal Emergency Management Agency	
83. UN	Emergency Operations Center Grant	52,800
83. 105	Community Assistance Program-State Support Services Element (CAP-SSSE)	40,835
83. 536	Flood Mitigation Assistance	830,617
83. 543	Individual and Family Grants	2,137,100
83. 544	Public Assistance Grants	14,993,360
83. 548	Hazard Mitigation Grant	9,793,350
83. 552	Emergency Management Performance Grants	1,887,947
83. 557	Pre-Disaster Mitigation	1,990
	Total Federal Emergency Management Agency	29,737,999

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
	TOTAL EMERGENCY MANAGEMENT	30,036,764
	EMPLOYMENT SECURITY	
	U.S. Department of Labor	
17. UN	Job Corps	937,069
17. 002	Labor Force Statistics	701,142
17. 203	Labor Certification for Alien Workers	56,733
17. 207	Employment Services (Passed-through from Georgia State University. Identifying number assigned by the pass-through entity is ALY51-08.)	7,767,656
17. 225#	Unemployment Insurance	242,554,695
17. 245	Trade Adjustment Assistance-Workers	1,032,695
17. 801	Disabled Veterans' Outreach Program (DVOP)	527,743
17. 804	Local Veterans' Employment Representative Program	988,224
	Total U.S. Department of Labor	254,565,957
83. 541	Federal Emergency Management Agency Disaster Unemployment Assistance	52,450
	TOTAL EMPLOYMENT SECURITY	254,618,407
	ENVIRONMENTAL QUALITY	
	U.S. Department of Commerce	
11. 419	Coastal Zone Management Administration Awards	13,668
	U.S. Department of Defense	
12. 113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	119,472
	U.S. Department of the Interior	
15. 250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	119,939
15. 808	U.S. Geological Survey-Research and Data Acquisition	1,642
15. 810	National Cooperative Geologic Mapping Program	68,576
	Total U.S. Department of the Interior	190,157
	U.S. Department of Labor	
17. 600	Mine Health and Safety Grants	53,385
	Environmental Protection Agency	
66. 419	Water Pollution Control-State and Interstate Program Support	647,494
66. 433	State Underground Water Source Protection	71,334
66. 454	Water Quality Management Planning	95,667
66. 458	Capitalization Grants for State Revolving Funds	7,288,930
66. 460	Nonpoint Source Implementation Grants	3,056,687
66. 463	Water Quality Cooperative Agreements	585,443
66. 467	Wastewater Operator Training Grant Program (Technical Assistance)	25,236
66. 470	Hardship Program for Rural Communities	256,220

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
66. 500	Environmental Protection Consolidated Research	212,549
66. 605	Performance Partnership Grants	4,365,009
66. 606	Surveys, Studies, Investigations and Special Purpose Grants	453,914
66. 701	Toxic Substances Compliance Monitoring Cooperative Agreements	65,478
66. 707	TSCA Title IV State Lead Grants-Certification of Lead- Based Paint Professionals	385,702
66. 708	Pollution Prevention Grants Program	77,009
66. 709	Capacity Building Grants and Cooperative Agreements for States and Tribes	17,010
66. 802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	197,185
66. 804	State and Tribal Underground Storage Tanks Program	183,878
66. 805	Leaking Underground Storage Tank-Trust Fund	1,356,149
66. 808	Solid Waste Management Assistance	11,768
66. 809	Superfund State and Indian Tribe Core Program-Cooperative Agreements	566,100
66. 810	CEPP Technical Assistance Grants Program	3,916
	Total Environmental Protection Agency	<u>19,922,678</u>
	U.S. Department of Energy	
81. UN7	Oversight of Investigation of Salmon Site	177
81. 089	Fossil Energy Research and Development	15-
	Total U.S. Department of Energy	<u>162</u>
	Federal Emergency Management Agency	
83. 550	National Dam Safety Program	173,021
	TOTAL ENVIRONMENTAL QUALITY	<u>20,472,543</u>
	FINANCE AND ADMINISTRATION	
	U.S. Department of Justice	
16. 576	Crime Victim Compensation	425,000
	General Services Administration	
39. 003@	Donation of Federal Surplus Personal Property	17,029,829
	TOTAL FINANCE AND ADMINISTRATION	<u>17,454,829</u>
	FORESTRY COMMISSION	
	U.S. Department of Agriculture	
10. 664	Cooperative Forestry Assistance	1,474,791
	TOTAL FORESTRY COMMISSION	<u>1,474,791</u>
	HEALTH	

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
	U.S. Department of Agriculture	
10. 557	Special Supplemental Nutrition Program for Women, Infants, and Children	56,949,183
10. 565	Commodity Supplemental Food Program	239,012
	Total U.S. Department of Agriculture	57,188,195
	U.S. Department of Housing and Urban Development	
14. 241	Housing Opportunities for Persons with AIDS	589,695
	U.S. Department of Labor	
17. 005	Compensation and Working Conditions	11,033
17. 504	Consultation Agreements	27,179
	Total U.S. Department of Labor	38,212
	Environmental Protection Agency	
66. 032	State Indoor Radon Grants	44,407
66. 432	State Public Water System Supervision	1,198,658
66. 468	Capitalization Grants for Drinking Water State Revolving Fund	14,436,220
66. 606	Surveys, Studies, Investigations and Special Purpose Grants	23,333
	Total Environmental Protection Agency	15,702,618
	U.S. Department of Education	
84. 181	Special Education-Grants for Infants and Families with Disabilities	4,177,216
	U.S. Department of Health and Human Services	
93. 110	Maternal and Child Health Federal Consolidated Programs	194,926
93. 116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	1,235,904
93. 127	Emergency Medical Services for Children	162,723
93. 130	Primary Care Services-Resource Coordination and Development	328,623
93. 136	Injury Prevention and Control Research and State and Community Based Programs	148,321
93. 161	Health Program for Toxic Substances and Disease Registry	31,952
93. 217	Family Planning-Services	3,887,985
93. 235	Abstinence Education	1,349,195
93. 241	State Rural Hospital Flexibility Program	80,743
93. 251	Universal Newborn Hearing Screening	104,462
93. 268	Immunization Grants	7,655,460
93. 283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	1,623,541
93. 576	Refugee and Entrant Assistance-Discretionary Grants	18,009
93. 671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	849,637
93. 777	State Survey and Certification of Health Care Providers and Suppliers	1,284,240
93. 913	Grants to States for Operation of Offices of Rural Health	21,231
93. 917	HIV Care Formula Grants	5,686,228
93. 919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	762,881
93. 940	HIV Prevention Activities-Health Department Based	1,719,937
93. 944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency	230,386

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
93. 945	Virus Syndrome (AIDS) Surveillance	585,631
93. 977@	Assistance Programs for Chronic Disease Prevention and Control	1,554,188
93. 988	Preventive Health Services-Sexually Transmitted Diseases Control Grants	190,538
93. 991	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	2,088,989
93. 994@	Preventive Health and Health Services Block Grant	11,521,530
	Maternal and Child Health Services Block Grant to the States	
	Total U.S. Department of Health and Human Services	43,317,260
	TOTAL HEALTH	121,013,196
	HUMAN SERVICES	
	U.S. Department of Agriculture	
10. 551@	Food Stamps	289,354,605
10. 561	State Administrative Matching Grants for Food Stamp Program	30,564,551
10. 568	Emergency Food Assistance Program (Administrative Costs)	845,583
10. 569@	Emergency Food Assistance Program (Food Commodities)	5,226,204
10. 570	Nutrition Services Incentive	2,296,582
	Total U.S. Department of Agriculture	328,287,525
	U.S. Department of Housing and Urban Development	
14. 169	Housing Counseling Assistance Program	1,113
	U.S. Department of Labor	
17. 235	Senior Community Service Employment Program	955,561
	Tennessee Valley Authority	
62. UN	Low-Income Pilot Program	9,805
	U.S. Department of Energy	
81. 042	Weatherization Assistance for Low-Income Persons	1,069,293
	U.S. Department of Health and Human Services	
93. 041	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	67,829
93. 042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	88,821
93. 043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	129,970
93. 044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	3,899,455
93. 045	Special Programs for the Aging-Title III, Part C-Nutrition Services	5,067,321
93. 048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	80,310
93. 049	Special Programs for the Aging-Title VII, Chapter 6 - Allotments for Vulnerable Elder Rights Protection Programs	8,112
93. 052	National Family Caregiver Support	170,455
93. 556	Promoting Safe and Stable Families	3,310,503
93. 558	Temporary Assistance for Needy Families	147,002,719

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
93. 560	Family Support Payments to States-Assistance Payments	2,603,700
93. 563	Child Support Enforcement	12,222,269
93. 566	Refugee and Entrant Assistance-State Administered Programs	1,400,073
93. 568	Low-Income Home Energy Assistance	10,389,290
93. 569	Community Services Block Grant	9,571,286
93. 570	Community Services Block Grant-Discretionary Awards	7,623
93. 571	Community Services Block Grant Discretionary Awards- Community Food and Nutrition	67,583
93. 572	Emergency Community Services for the Homeless	12,577
93. 574	Child Care for Families At-Risk of Welfare Dependency	112,281
93. 575	Child Care and Development Block Grant	32,090,224
93. 576	Refugee and Entrant Assistance-Discretionary Grants	139,411
93. 596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	9,565,254
93. 597	Grants to States for Access and Visitation Programs	70,315
93. 603	Adoption Incentive Payments	337,534
93. 643	Children's Justice Grants to States	176,282
93. 645	Child Welfare Services-State Grants	3,837,519
93. 652	Adoption Opportunities	144,184
93. 658	Foster Care-Title IV-E	9,910,690
93. 659	Adoption Assistance	3,603,371
93. 667	Social Services Block Grant	7,979,827
93. 669	Child Abuse and Neglect State Grants	376,899
93. 673	Grants to States for Planning and Development of Dependent Care Programs	5,822
93. 674	Chafee Foster Care Independent Living	418,024
93. 779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	250,854
Total U.S. Department of Health and Human Services		264,882,181
94. 016	Corporation for National and Community Service Senior Companion Program	134,737
TOTAL HUMAN SERVICES		595,337,989
LIBRARY COMMISSION		
45. 310	National Foundation on the Arts and the Humanities State Library Program	1,750,791
TOTAL LIBRARY COMMISSION		1,750,791
MARINE RESOURCES		
07. UN	Office of National Drug Control Policy HIDTA (High Intensity Drug Trafficking Area)	13,738
11. 407	U.S. Department of Commerce Interjurisdictional Fisheries Act of 1986	65,696
11. 419	Coastal Zone Management Administration Awards	1,040,763
11. 420	Coastal Zone Management Estuarine Research Reserves	262,686
11. 434	Cooperative Fishery Statistics	80,154
11. 477	Fisheries Disaster Relief	304,942

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
	Total U.S. Department of Commerce	<u>1,754,241</u>
	U.S. Department of the Interior	
15. 605	Sport Fish Restoration	586,276
15. 614	Coastal Wetlands Planning, Protection and Restoration Act	119,702
15. 616	Clean Vessel Act	<u>12,762</u>
	Total U.S. Department of the Interior	<u>718,740</u>
	U.S. Department of Justice	
16. 607	Bulletproof Vest Partnership Program	<u>9,690</u>
	Environmental Protection Agency	
66. 461	Wetlands Grants	191,724
66. 606	Surveys, Studies, Investigations and Special Purpose Grants	<u>51,757</u>
	Total Environmental Protection Agency	<u>243,481</u>
	TOTAL MARINE RESOURCES	<u>2,739,890</u>
	MEDICAID	
	U.S. Department of Health and Human Services	
93. 767	State Children's Insurance Program	66,051,478
93. 769	Demonstration to Maintain Independence and Employment	19,666
93. 777	State Survey and Certification of Health Care Providers and Suppliers	873,353
93. 778	Medical Assistance Program	2,188,563,399
93. 779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	<u>507,838</u>
	Total U.S. Department of Health and Human Services	<u>2,256,015,734</u>
	TOTAL MEDICAID	<u>2,256,015,734</u>
	MENTAL HEALTH	
	U.S. Department of Health and Human Services	
93. 104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,984,553
93. 150	Projects for Assistance in Transition from Homelessness (PATH)	193,203
93. 230	Consolidated Knowledge Development and Application (KD&A) Program	173,001
93. 630	Developmental Disabilities Basic Support and Advocacy Grants	880,214
93. 958	Block Grants for Community Mental Health Services	3,669,062
93. 959	Block Grants for Prevention and Treatment of Substance Abuse	<u>14,319,609</u>
	Total U.S. Department of Health and Human Services	<u>21,219,642</u>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
	TOTAL MENTAL HEALTH	21,219,642
	MILITARY DEPARTMENT	
	U.S. Department of Defense	
12. AAD	National Guard Special Military Operations and Projects	4,740,775
12. UN4	National Guard Regional Counterdrug Training Academy	154,807
12. 400	Military Construction, National Guard	5,150,178
12. 401	National Guard Military Operations and Maintenance (O&M) Projects	27,157,040
12. 404	National Guard Civilian Youth Opportunities	2,823,514
	Total U.S. Department of Defense	40,026,314
	TOTAL MILITARY DEPARTMENT	40,026,314
	MS DEVELOPMENT AUTHORITY	
	U.S. Department of Housing and Urban Development	
14. 228	Community Development Block Grants/State's Program	40,413,410
14. 231	Emergency Shelter Grants Program	1,518,392
14. 239	HOME Investment Partnerships Program	14,987,934
	Total U.S. Department of Housing and Urban Development	56,919,736
	U.S. Department of Labor	
17. 207	Employment Services (Passed-through from Georgia State University. Identifying number assigned by the pass-through entity is ALY51-08.)	302,024
17. 246	Employment and Training Assistance - Dislocated Workers	349,912
17. 250	Job Training Partnership Act	709
17. 258	WIA Adult Program	14,278,600
17. 259	WIA Youth Activities	15,881,449
17. 260	WIA Dislocated Workers	13,628,751
	Total U.S. Department of Labor	44,440,027
	Appalachian Regional Commission	
23. 002	Appalachian Area Development	1,079,565
23. 011	Appalachian State Research, Technical Assistance, and Demonstration Projects	150,976
	Total Appalachian Regional Commission	1,230,541
	U.S. Department of Energy	
81. 041	State Energy Program	296,789
81. 117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/ Assistance	8,709
81. 119	State Energy Program Special Projects	97,199
	Total U.S. Department of Energy	402,697

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
84. 346	U.S. Department of Education Occupational and Employment Information State Grants	125,200
93. 585	U.S. Department of Health and Human Services Empowerment Zones Program	6,125,999
	TOTAL MS DEVELOPMENT AUTHORITY	109,244,200
	<u>NARCOTICS</u>	
07. UN	Office of National Drug Control Policy HIDTA (High Intensity Drug Trafficking Area)	126,326
16. UN	U.S. Department of Justice Domestic Cannabis Eradication/Suppression Program	187,736
16. UN1	COPS Methamphetamine Grant	637,726
	Total U.S. Department of Justice	825,462
	TOTAL NARCOTICS	951,788
	<u>OIL AND GAS BOARD</u>	
66. 433	Environmental Protection Agency State Underground Water Source Protection	94,700
	TOTAL OIL AND GAS BOARD	94,700
	<u>PLANT INDUSTRY</u>	
10. 025	U.S. Department of Agriculture Plant and Animal Disease, Pest Control, and Animal Care	167,359
10. 163	Market Protection and Promotion	18,885
	Total U.S. Department of Agriculture	186,244
66. 700	Environmental Protection Agency Consolidated Pesticide Enforcement Cooperative Agreements	334,679
	TOTAL PLANT INDUSTRY	520,923
	<u>PUBLIC SAFETY</u>	
16. 523	U.S. Department of Justice Juvenile Accountability Incentive Block Grants	933,161
16. 540	Juvenile Justice and Delinquency Prevention-Allocation to States	765,138
16. 547	Victims of Child Abuse	243,250
16. 549	Part E-State Challenge Activities	15,669

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
16. 554	National Criminal History Improvement Program (NCHIP)	648,888
16. 564	Crime Laboratory Improvement-Combined Offender DNA Index System Backlog Reduction	82,007
16. 575	Crime Victim Assistance	3,015,912
16. 579	Byrne Formula Grant Program	5,058,747
16. 588	Violence Against Women Formula Grants	1,545,978
16. 589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	298,010
16. 592	Local Law Enforcement Block Grants Program	290,495
16. 593	Residential Substance Abuse Treatment for State Prisoners	401,008
16. 727	Enforcing Underage Drinking Laws Program	399,242
	Total U.S. Department of Justice	13,697,505
	U.S. Department of Transportation	
20. UN1	Fatal Analysis Reporting System	57,157
20. 600	State and Community Highway Safety	3,795,561
20. 601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	10,761
	Total U.S. Department of Transportation	3,841,957
	U.S. Department of Education	
84. 186	Safe and Drug-Free Schools and Communities-State Grants	964,512
	TOTAL PUBLIC SAFETY	18,503,974
	PUBLIC SERVICE COMMISSION	
	U.S. Department of Transportation	
20. 218	National Motor Carrier Safety	2,129,362
20. 700	Pipeline Safety	221,728
	Total U.S. Department of Transportation	2,351,090
	TOTAL PUBLIC SERVICE COMMISSION	2,351,090
	REHABILITATION SERVICES	
	U.S. Department of Education	
84. 126	Rehabilitation Services-Vocational Rehabilitation Grants to States	41,863,112
84. 169	Independent Living-State Grants	343,652
84. 177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	390,029
84. 187	Supported Employment Services for Individuals with Severe Disabilities	232,212
84. 224	Assistive Technology	301,144
84. 235	Rehabilitation Services Demonstration and Training-Special Demonstration Programs	13,999
84. 265	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	125,068

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
	Total U.S. Department of Education	<u>43,269,216</u>
	Social Security Administration	
96. 001	Social Security-Disability Insurance	21,861,660
96. 008	Social Security-Benefits Planning, Assistance, and Outreach Program	<u>205,483</u>
	Total Social Security Administration	<u>22,067,143</u>
	TOTAL REHABILITATION SERVICES	<u>65,336,359</u>
	<u>SECRETARY OF STATE</u>	
	U.S. Department of Commerce	
11. 419	Coastal Zone Management Administration Awards	<u>3,785,000</u>
	Environmental Protection Agency	
66. 461	Wetlands Grants	<u>93,582</u>
	TOTAL SECRETARY OF STATE	<u>3,878,582</u>
	<u>SOIL & WATER CONSERVATION COMMISSION</u>	
	U.S. Department of Agriculture	
10. 902	Soil and Water Conservation	<u>889,733</u>
	TOTAL SOIL & WATER CONSERVATION COMMISSION	<u>889,733</u>
	<u>STATE FIRE ACADEMY</u>	
	Federal Emergency Management Agency	
83. 547	First Responder Counter-Terrorism Training Assistance	144,232
83. 553	State Fire Training Systems Grants	<u>7,465</u>
	Total Federal Emergency Management Agency	<u>151,697</u>
	TOTAL STATE FIRE ACADEMY	<u>151,697</u>
	<u>SUPREME COURT</u>	
	U.S. Department of Health and Human Services	
93. 586	State Court Improvement Program	<u>125,469</u>
	TOTAL SUPREME COURT	<u>125,469</u>
	<u>TRANSPORTATION</u>	

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures/ Distributions/ Issuances
U.S. Department of Transportation		
20. 205	Highway Planning and Construction	390,006,197
20. 500	Federal Transit-Capital Investment Grants	174,800
20. 505	Federal Transit-Metropolitan Planning Grants	284,892
20. 509	Formula Grants for Other Than Urbanized Areas	3,406,180
20. 513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	918,754
20. 516	Job Access-Reverse Commute	109,636
Total U.S. Department of Transportation		394,900,459
TOTAL TRANSPORTATION		394,900,459
TREASURY		
U.S. Department of Energy		
81. UN1	Petroleum Violation Escrow - Stripper Well	1,435,571
81. UN2	Petroleum Violation Escrow - Citronelle/Exxon	3,120
81. UN5	Petroleum Violation Escrow - State Escrow Distribution/ Refund Fuels	1,094
81. 041	State Energy Program	139,040
81. 042	Weatherization Assistance for Low-Income Persons	15,740
Total U.S. Department of Energy		1,563,085
U.S. Department of Health and Human Services		
93. 568	Low-Income Home Energy Assistance	503
TOTAL TREASURY		1,563,588
VETERANS AFFAIRS BOARD		
U.S. Department of Veterans Affairs		
64. 124	All-Volunteer Force Educational Assistance	90,124
TOTAL VETERANS AFFAIRS BOARD		90,124
WILDLIFE, FISHERIES AND PARKS		
U.S. Department of Defense		
12. UN2	Wildlife Mitigation Projects (Passed-through from U.S. Army Corps of Engineers. Identifying Number assigned by the pass- through entity - DACW01391543S, DACW01391500S, DACW01392411S, DACW01392410S, DACW3891H007S, and DACW3891H010S.)	1,132,372
U.S. Department of the Interior		
15. 605	Sport Fish Restoration	2,930,362
15. 611	Wildlife Restoration	2,891,122
15. 612	Rare and Endangered Species Conservation	156,252
15. 916	Outdoor Recreation-Acquisition, Development and Planning	177,666

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2002

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total U.S. Department of the Interior	<u>6,155,402</u>
	U.S. Department of Transportation	
20. 005	Boating Safety Financial Assistance	684,944
20. 219	Recreational Trails Program	<u>483,594</u>
	Total U.S. Department of Transportation	<u>1,168,538</u>
	TOTAL WILDLIFE, FISHERIES AND PARKS	<u>8,456,312</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS	\$ <u>4,442,821,954</u>

EXPLANATION OF FOOTNOTE REFERENCE:

Program number with UN denotes unknown CFDA numbers.

The total expenditures for CFDA No. 17.225 include state expenditures of \$188,563,720 and federal expenditures of \$53,990,975. Federal expenditures consist of both cash and noncash benefits.

@Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

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**Notes to the
Schedules of Expenditures of Federal Awards**



STATE OF MISSISSIPPI

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2002

NOTE 1: PURPOSE OF THE SCHEDULES

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each individual federal program as identified in the *Catalog of Federal Domestic Assistance* (CFDA). To comply with this requirement, the Department of Finance and Administration required each state agency to prepare and submit a schedule of expenditures of federal awards. Information contained in these schedules was combined by the Department of Finance and Administration to form the accompanying schedules of expenditures of federal awards. Federal programs which have not been assigned a CFDA number have been identified.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Presentation - The information in the accompanying schedules of expenditures of federal awards is presented in accordance with OMB Circular A-133. The Schedule of Expenditures of Federal Awards by Federal Department presents a summary of federal awards expended by federal department and CFDA number. The Schedule of Expenditures of Federal Awards by State Grantee Agency presents federal awards expended by recipient agencies of the State of Mississippi.
- Federal Financial Assistance - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, cooperative agreements, loans, loan guarantees, property (including donated surplus property), interest subsidies, insurance, direct appropriations or other assistance. Accordingly, nonmonetary federal assistance, including food stamps, food commodities and surplus property, is included in federal financial assistance and, therefore, is reported on the schedules of expenditures of federal awards. Federal financial assistance does not include direct federal cash assistance to individuals or procurement contracts used to buy goods or services from vendors.
 - Major Programs - The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish a risk-based approach to determine which federal programs are major based on certain expenditure thresholds and risk criteria. According to the state's Single Audit Report for the fiscal year ended June 30, 2002, federal expenditures, distributions or issuances totaled \$4,442,821,954. This established the threshold for Type A programs as those whose federal expenditures, distributions or issuances exceed \$13.3 million. For the fiscal year 2002 audit, eight Type A programs were identified as low risk. Risk assessments of Type B programs were performed until eight high risk Type B programs were identified. Twenty-six federal award programs, comprising 18 high risk Type A programs and eight high risk Type B programs, were audited as major programs for the State of Mississippi.

STATE OF MISSISSIPPI

Notes to the Schedules of Expenditures of Federal Awards (continued)

- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.
- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs of the Mississippi Authority for Educational Television and for those programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2002. The Mississippi Authority for Educational Television engaged other auditors to perform an audit in accordance with OMB Circular A-133; and a separate report was issued September 26, 2002. Expenditures of federal awards provided to the state's public universities and related entities will be audited in accordance with statutory requirements and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and a separate report is scheduled to be issued by March 31, 2003.
- C. Basis of Accounting - Federal programs included in the accompanying schedules are accounted for in the state's governmental and proprietary funds. Governmental funds are accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting and proprietary funds by using the economic resources measurement focus and the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Amounts reflected as distributions in the accompanying schedules for donated federal surplus property are based on an estimated average fair market value of 23.3 percent of the original acquisition cost as assigned by the federal government. The amounts reflected in the financial statements of the State of Mississippi for the fiscal year ended June 30, 2002, for distributed surplus property are valued at the handling and shipping costs, which more closely approximate fair market value at the date of the transfer of the surplus property to the State of Mississippi.

The value of food commodity distributions on the accompanying schedules was calculated using the U.S. Department of Agriculture, Food and Nutrition Service commodity price list in effect at the date of distribution.

The food stamp issuance amount included in the accompanying schedules is stated at the face value of the food stamp coupons at the date of issuance.

STATE OF MISSISSIPPI

Notes to the Schedules of Expenditures of Federal Awards (continued)

- D. Expenditures and Expenses - Certain transactions relating to expenditures of federal awards may appear in records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal awards expended by the State of Mississippi, the following policies have been adopted:
1. When monies are received by one state grantee agency and redistributed (expended) to another state grantee agency (i.e., a pass-through of funds by the primary recipient state grantee agency to a subrecipient state grantee agency), the federal financial assistance will be reflected in the primary receiving/expending state grantee agency's accounts.
 2. Purchases of services between state grantee agencies using federal monies will be recorded as *expenditures* or *expenses* on the purchasing agency's records and as *revenues* for services rendered on the providing agency's records. Therefore, the expenditure of federal awards is attributed to the purchasing agency, which is the primary receiving/expending state grantee agency.

NOTE 3: OTHER

- A. All federal expenditures/distributions/issuances included in the accompanying schedules represent assistance received directly from the federal government, unless otherwise noted. Federal financial assistance received indirectly from the federal government (i.e., passed-through from entities outside of the State of Mississippi) is noted parenthetically.
- B. The accompanying schedules of expenditures of federal awards include distributions of donated surplus personal property (CFDA 39.003) of \$17,029,829. These distributions were valued based on an estimated average fair market value of 23.3 percent of the original acquisition cost assigned by the federal government. These distributions were reported in the financial statements of the State of Mississippi for the year ended June 30, 2002, as charges for sales and services of \$460,000. The amount was based upon handling and shipping costs at the date of transfer to the state.
- C. Expenditures reflected in the CFDA 14.228 - Community Development Block Grants/State's Program include disbursements made for new loans totaling \$1,974,584. Program income generated by the program in previous years was used to make these new loan payments. In subsequent years, the program income generated from the repayment of these loans will be deposited into a revolving loan fund to be redistributed to the local governments under CFDA 14.228 for program activities. At June 30, 2002, the outstanding loan balance for the program totaled \$10,650,508.
- D. The Unemployment Insurance program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying schedules of expenditures of federal awards, both state and federal funds have been considered federal awards expended as denoted with an # to the right of the CFDA number. The breakdown of the state and federal portions of the total program expenditures is as follows:

State Portion	\$ 188,563,720
Federal Portion	<u>53,990,975</u>
Total	\$ <u>242,554,695</u>

STATE OF MISSISSIPPI

Notes to the Schedules of Expenditures of Federal Awards (continued)

- E. Expenditures reflected in CFDA 66.458 - Capitalization Grants for State Revolving Funds - include loans to local governments for developing or constructing water treatment facilities. The funding source for these loans includes federal grant funds and state funds. In subsequent years, local governments will be required to repay these funds to the State of Mississippi. When received, these funds will be redistributed to local governments through new loans for additional water treatment facility projects. The outstanding loan balance for the year ended June 30, 2002, was \$191,846,658. Total disbursements for new loans for the year ended June 30, 2002, totaled \$22,559,432. Administrative costs associated with the program for the year ended June 30, 2002, totaled \$991,053.
- F. Expenditures reflected in CFDA 66.468 - Capitalization Grants for Drinking Water State Revolving Fund - include loans to counties, municipalities and other tax exempt water systems organizations for construction of new water systems, the expansion or repair of existing water systems, and/or the consolidation of new or existing water systems. The funding source for these loans includes federal grant funds and state funds. In subsequent years, the entities will be required to repay these funds to the Mississippi Department of Health. When received, these funds will be used to make new loans for the program activities. The outstanding loan balance for the year ended June 30, 2002, was \$42,004,790. Total disbursements for new loans made during fiscal year 2002 totaled \$17,430,191. Administrative costs associated with the program for the year ended June 30, 2002, totaled \$1,043,288.
- G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$25,585,630 related to State Aid Road Construction is included on the schedules of expenditures of federal awards under Transportation Department program 20.205 - Highway Planning and Construction.
- H. Noncash Assistance.

The State of Mississippi participated in several federal programs in which noncash benefits were provided through the state to eligible program participants. These noncash benefits programs are identified on the schedules of expenditures of federal awards with an @ to the right of the CFDA number except for CFDA 17.225, which is identified with an # to the right of the CFDA number. A listing of these programs follows:

CFDA Number	Program Name
10.550	Food Donation
10.551	Food Stamps
10.569	Emergency Food Assistance Program (Food Commodities)
17.225	Unemployment Insurance
39.003	Donation of Federal Surplus Personal Property
93.268	Immunization Grants
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants
93.994	Maternal and Child Health Services Block Grant to the States

Note: • *CFDA 10.570 — Nutrition Services Incentive is normally a noncash grant; however, the State of Mississippi elected to receive the cash instead (per the grant award).*

STATE OF MISSISSIPPI**Notes to the Schedules of Expenditures of Federal Awards (continued)**

- *CFDA 17.225 - Unemployment Insurance received \$53,990,975 in federal funding, including cash assistance and noncash assistance. Cash assistance totaled \$53,330,658 and noncash assistance totaled \$660,317.*
- *CFDA 93.268 — Immunization Grants received \$7,655,460, including cash assistance and noncash assistance. Cash assistance totaled \$2,167,833 and noncash assistance totaled \$5,487,627.*
- *CFDA 93.977 — Preventive Health Services - Sexually Transmitted Diseases Control Grants received \$1,554,188, including cash assistance and noncash assistance. Cash assistance totaled \$1,330,892 and noncash assistance totaled \$223,296.*
- *CFDA 93.994 - Maternal and Child Health Services Block Grant to the States received \$11,521,530, including cash assistance and noncash assistance. Cash assistance totaled \$11,483,537 and noncash assistance totaled \$37,993.*

- I. The State of Mississippi's major federal programs for the year ended June 30, 2002, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

CFDA Number	Program Name
10.550	Food Donation
	Food Stamp Cluster:
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.AAD	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's Program
14.239	HOME Investment Partnerships Program
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction

STATE OF MISSISSIPPI**Notes to the Schedules of Expenditures of Federal Awards (concluded)**

20.509	Formula Grants for Other Than Urbanized Areas
39.003	Donation of Federal Surplus Personal Property
66.458	Capitalization Grants for State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Fund
	Special Education Cluster:
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.338	Reading Excellence
93.558	Temporary Assistance for Needy Families
93.585	Empowerment Zones Program
93.658	Foster Care - Title IV-E
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.991	Preventive Health and Health Services Block Grant
93.994	Maternal and Child Health Services Block Grant to the States

Schedule of Findings and Questioned Costs

Part 1 - Summary of Auditor's Results



STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

PART 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Reportable conditions identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes X no
- Reportable conditions identified that are not considered to be material weaknesses? X yes none reported

Type of auditor's report issued on compliance for major programs:

Unqualified for all major programs except for the state's public universities and the Mississippi Authority for Educational Television, for which separate reports will be issued.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

 X yes no

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 1 - Summary of Auditor's Results (continued)

Identification of major programs:

CFDA Number	Program Name
10.550	Food Donation
	Food Stamp Cluster:
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.AAD	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's Program
14.239	HOME Investment Partnerships Program
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
20.509	Formula Grants for Other Than Urbanized Areas
39.003	Donation of Federal Surplus Personal Property
66.458	Capitalization Grants for State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Fund
	Special Education Cluster:
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.338	Reading Excellence
93.558	Temporary Assistance for Needy Families

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 1 - Summary of Auditor's Results (concluded)

CFDA Number	Program Name
93.585	Empowerment Zones Program
93.658	Foster Care - Title IV-E
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.991	Preventive Health and Health Services Block Grant
93.994	Maternal and Child Health Services Block Grant to the States

Dollar threshold used to distinguish between
Type A and Type B programs:

\$13,300,000

Auditee qualified as low-risk auditee?

 yes X no

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Schedule of Findings and Questioned Costs

Part 2 - Financial Statement Findings



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

PART 2 - FINANCIAL STATEMENT FINDINGS

Introduction

This part of the Schedule of Findings and Questioned Costs presents reportable conditions that are related to the financial statements and are required to be reported in accordance with *Government Auditing Standards*.

Findings are arranged in order by state agency. Each finding has the following designation:

- **Reportable Condition** - Matters coming to the auditor's attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in the auditor's judgement, could adversely affect the state's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

PART 2 - FINANCIAL STATEMENT FINDINGS

**Finding
Number**

Finding and Recommendation

TREASURY

Reportable Condition

02-25

Physical Controls Over Network Hardware Should Be Improved

Finding:

The following weaknesses were noted during our review of the physical security controls of the network computer equipment and communications equipment at the State Treasury Department:

- The network computer equipment is housed in an open area that serves as a hallway to the break room. Equipment is at risk of physical damage due to break room traffic and possible water damage due to location of plumbing.
- All walls were not solid to the true ceiling.
- A water charged fire suppression system was located directly over the network and communication equipment.

The *Control Objectives for Information and Related Technology* (CobiT) guidelines, as well as industry best practices, require adequate physical controls over hardware. Without adequate physical controls over the network hardware, the agency is susceptible to the possible loss of information or network hardware.

Recommendation:

We recommend the State Treasury Department improve its physical controls over the network hardware.

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Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings
and Questioned Costs



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

PART 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings required to be reported by Section 510 (a) of OMB Circular A-133.

Findings are grouped by federal funding agency and then organized by state agency. Findings within the state agency are listed in order by type of compliance requirement as listed in Section 320 (b) (2) (xii) of OMB Circular A-133.

Each finding has one of the following designations:

- **Immaterial Noncompliance** - Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.
- **Reportable Condition** - Matters coming to the auditor's attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in the auditor's judgement, could adversely affect the state's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

PART 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

**CFDA/Finding
Number**

Finding and Recommendation

HEALTH

ACTIVITIES ALLOWED OR UNALLOWED

Reportable Condition

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2002

02-01

Controls over Network Security Should Be Strengthened

Finding:

During our review of the Novell Network at the Mississippi State Department of Health's Mississippi WIC Inventory Tracking System (MWITS) program, we found the following control weaknesses:

- Unique passwords were not required for 110 users.
- Passwords for 67 employees were set at less than five characters in length. Common practice calls for passwords of 6 characters or more.
- The password for one user was not set to expire until January 30, 2004, which is more than the 90-day requirement.
- Passwords for 106 users were not set to expire.
- Many users had multiple user names.
- No restriction was in place for 103 hardware/software furnished user names and generic user names. This provides generic access to programs based on original parameters set by the vendor, not the agency, and generic user names were not disabled or restricted. The use of generic user names allows access which is not restricted to a particular employee.
- Passwords for 302 users had expired or not been used in more than six months. This appears to indicate the users did not need access to the computer programs.
- There were 16 multiple user names with administrator rights.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

As stated in the *Control Objectives for Information and Related Technology* (CobiT) guidelines, all employees should have a unique password. Passwords should be active and set to an appropriate length. Employees who have not logged onto the computer system for 90 days should be deleted from the security system. Also, no generic or vendor furnished user names should be used in the network. Finally, administrator rights should be limited. Without proper access controls in place, network security could be compromised, allowing unauthorized access or fraud to take place without being discovered.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over network security for the MWITS by ensuring all users have a unique password to the network which is set to expire on a regular basis. The password should be set to an acceptable length of six characters or more. The agency should identify users who have not used their passwords for 90 days and disable the passwords. Also, all generic and vendor provided user names should be disabled or restricted. Finally, administrator rights should be reserved for employees charged with administering the system and only one user name should be used for these rights.

HEALTH

ACTIVITIES ALLOWED OR UNALLOWED

Reportable Condition

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2002

02-02 Data Backup Procedures Should Be Followed

Finding:

Based on a review of the Mississippi WIC Inventory Tracking System (MWITS) for the Mississippi State Department of Health, we noted the procedures in place to ensure backup tapes are readable were not being followed. After a server crash at the beginning of fiscal year 2002, it was discovered the backup tapes had not been tested for readability, resulting in incomplete and unusable backup tapes. The agency has developed new procedures for performing backups of MWITS data. However, staff were only able to use tapes once for backup purposes due to inadequate training on the new backup procedures. Also, training classes and user manuals for the updated systems and computer have not been completed.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

As stated in the *Control Objectives for Information and Related Technology* (CobiT) guidelines, the agency should ensure data remains complete, accurate and valid during its input, update, backup and storage. Without testing of critical backup tapes, data could be lost. Also, without fully trained staff, there could be problems in the backup procedures, which could result in the loss of data.

Recommendation:

We recommend the Mississippi State Department of Health improve backup of data for the MWITS system by consistently following proper procedures. The agency should ensure backup tapes are tested for readability. In addition, staff responsible for performing the backup of MWITS data should be adequately trained in the backup procedures to ensure proper backup tapes are made and allow the use of tapes more than once.

HEALTH

ACTIVITIES ALLOWED OR UNALLOWED

Reportable Condition

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2002

02-03 Controls over Data Security Should Be Strengthened

Finding:

Based on a review of the Mississippi WIC Inventory Tracking System (MWITS) for the Mississippi State Department of Health, we noted the agency did not restrict programmers and analysts from accessing production data and program files. The *Control Objectives for Information and Related Technology* (CobiT) guidelines, require management to ensure data security controls are in place. Failure by the agency to develop adequate security controls could allow hackers and unauthorized users access to important data.

Recommendation:

We recommend the Mississippi State Department of Health limit access to MWITS production data files and program files to those individuals authorized to process or maintain the MWITS.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>HEALTH</u>
	ACTIVITIES ALLOWED OR UNALLOWED
	<i>Reportable Condition</i>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children Federal Award Number and Year: 5MS700704, 2002
02-04	<u>Computer Logs of Computer Viruses Should Be Maintained and Reviewed</u> <i>Finding:</i> Based on a review of the Mississippi WIC Inventory Tracking System (MWITS) for the Mississippi State Department of Health, we noted the agency does not maintain or review computer logs of computer virus problems. In addition, the agency does not have a written plan for recovery from a computer virus. As stated in the <i>Control Objectives for Information and Related Technology</i> (CobiT) guidelines, without virus logs, monitoring of these logs, and a written plan for recovery from a virus, unauthorized access could result in loss of information. <i>Recommendation:</i> We recommend the Mississippi State Department of Health implement a reporting system for the MWITS to identify computer viruses. The system should include logs which identify these viruses and any related problems; the logs should be reviewed and maintained. Also, we recommend the agency develop a written plan for recovery from a computer virus.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

HEALTH

ACTIVITIES ALLOWED OR UNALLOWED

Reportable Condition

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2002

02-05 Computer System Policies and Procedures Should Be Developed

Finding:

Based on a review of the Mississippi WIC Inventory Tracking System (MWITS) for the Mississippi State Department of Health, we noted the agency does not have written policies and procedures for the following:

- Establishing systems and programs testing;
- Ensuring maintenance of applications is adequately controlled; and
- Ensuring data table maintenance is complete, accurate and current.

As stated in the *Control Objectives for Information and Related Technology* (CobIT) guidelines, without these written policies and procedures, the agency could incorrectly implement changes to existing systems and programs without proper testing, inappropriate maintenance changes in applications could occur and data table changes could be made without proper approval.

Recommendation:

We recommend the Mississippi State Department of Health develop written policies and procedures for the MWITS for establishing systems and programs testing, ensuring maintenance of applications are adequately controlled, and ensuring changes to data tables are complete, accurate and current.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

HEALTH

REPORTING

Reportable Condition

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: SMS700704, 2001

02-08

Controls Should Be Strengthened over Supervisory Review of Federal Reports Prior to Submission

Finding:

Testwork performed at the Mississippi State Department of Health for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) revealed a lack of supervisory review of the federal fiscal year 2001 Addendum to the WIC Financial Management and Participation Report (FNS-798A). While comparing amounts on the report to supporting documentation, we noted several amounts on the report did not agree with supporting documentation. While the errors noted were not material in amount, good internal controls dictate a supervisory review of federal reports prior to submission to ensure accuracy and completeness. Failure to properly review the reports could allow errors to occur without being detected.

Recommendation:

We recommend management of the Mississippi State Department of Health strengthen controls over preparation of federal reports for the Special Supplemental Nutrition Program for Woman, Infants and Children (WIC) by ensuring reports are reviewed for accuracy by supervisory personnel prior to submission to the grantor federal agency.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Reportable Condition

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Federal Award Number and Year: Various

02-15	<u>Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened</u>
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Finding:

Office of Management and Budget (OMB) Circular A-133 requires the pass through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending \$300,000 or more in federal awards during the subrecipient's fiscal year. The audits are due to the primary agency within nine months after the end of the subrecipient's fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action.

The Mississippi Department of Human Services provided \$300,000 or more of federal financial assistance to multiple subrecipients through a variety of federal programs during fiscal year 2000. Testwork performed during the fiscal year 2002 audit on subrecipient audits received and reviewed by the agency for subrecipient audit year 2000 revealed the following:

- For four of 19 subrecipients tested, or 21 percent, we noted audit reports were not received by the agency within the nine-month deadline. We also noted the agency failed to send timely reminder letters to three of these four subrecipients. In two instances, reminder letters were sent after the subrecipient's audit deadline. For one subrecipient, the reminder letter was sent less than three weeks before the audit report was due.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

- For one of 19 subrecipients tested, or 5 percent, we noted the agency had not yet received an audit report as required from the subrecipient.
- For one of 19 subrecipients tested, or 5 percent, we noted the agency failed to respond to an audit finding within six months of receipt of the report from the subrecipient. It is the responsibility of the division providing funding to the subrecipient to perform follow-up on the audit findings.

Without adequate controls over the submission of audit reports and prompt follow-up of audit findings, the agency could fail to comply with federal requirements. Also, federal noncompliance by subrecipients could occur and not be detected timely. While the agency does have a centralized system for receiving subrecipient audit reports, it appears that controls in place to ensure audit reports are submitted timely, reminder letters are mailed timely, and corrective action is taken in a timely manner need to be strengthened.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subrecipient audit reports are received timely, and review of subrecipient audits are completed timely. Reminder letters should be mailed to subrecipients in a timely manner to ensure compliance with audit requirements. The appropriate funding division within the agency should be notified of any subrecipient audit findings and should resolve these findings within six months of receipt of the report by the agency.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Reportable Condition

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Federal Award Number and Year: Various

02-16	<u>Controls over Subrecipient Monitoring Should Be Strengthened</u>
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Finding:

The Mississippi Department of Human Services' Division of Program Integrity -Bureau of Audit and Evaluation is responsible for monitoring subrecipients. Monitoring procedures include testwork on eligibility determination, purchase and recording of equipment, cash receipts, and cash disbursements. The monitoring workpapers are reviewed and approved by supervisory personnel prior to issuance of a written report to the subrecipients. The Bureau of Audit and Evaluation's policy is to complete the monitoring report within 30 calendar days after the exit conference. We performed testwork on the monitoring of 25 subrecipients and noted the following problems:

- Three instances in which the monitoring reports were not issued within 30 calendar days. In these instances the monitoring workpapers were not reviewed and approved by supervisory personnel until well after the 30 day deadline for completion of the monitoring report.
- Two instances in which the monitoring reports had not been issued as of our testwork date, although both reports were several months past the 30 day deadline. In these instances, the monitoring workpapers were reviewed and approved by supervisory personnel in a timely manner.

Good internal controls require monitoring workpapers be promptly reviewed by supervisory personnel and monitoring reports be issued timely. Noncompliance with federal regulations and mismanagement of federal funds could occur and go undetected if review of workpapers and issuance of reports are not timely.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF AGRICULTURE (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services - Bureau of Audit and Evaluation strengthen controls in place over subrecipient monitoring by ensuring review and approval of monitoring workpapers is completed in a timely manner so that reports can be issued within 30 calendar days of the exit conference as required by the agency's policy.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**CFDA/Finding
Number**

Finding and Recommendation

MISSISSIPPI DEVELOPMENT AUTHORITY

REPORTING

Reportable Condition

14.239

HOME Investment Partnerships Program

Federal Award Number and Year: M00-SG280100, 2000

02-17

Internal Controls over Reporting Should Be Strengthened

Finding:

The *Code of Federal Regulations* (24 CFR 91.520) requires the Mississippi Development Authority to prepare and submit a performance report for the HOME Investment Partnerships Program to the U.S. Department of Housing and Urban Development (HUD). Testwork performed on the 2000-2001 HOME Annual Performance Report (form HUD-40107) revealed 14 of the 15 financial figures reported were incorrect. The \$5,579,230.04 total reported for contracts and subcontracts expenditures was understated by \$6,834,274.57, or 55%. No master listing of open HOME projects is maintained by agency personnel to ensure completeness of the report. Additionally, Contract and Subcontract Activity Reports (submitted by the subrecipients and compiled to obtain figures for the report) contain no signature by a subrecipient official certifying the information submitted by the subrecipient is true and correct.

Good internal controls require that reports receive adequate supervisory review to ensure accuracy, compliance with report requirements, and to ensure completeness of the report. Also, good internal controls dictate the Mississippi Development Authority should require the signature of a subrecipient official to ensure information submitted is accurate. Lack of adequate supervisory review of the HOME Annual Performance Report and no certification of the accuracy of the Contract and Subcontract Activity Reports could result in the submission of incorrect figures to the federal granting agency.

Recommendation:

We recommend the Mississippi Development Authority strengthen internal controls by exercising greater care when reports are reviewed by supervisory personnel to ensure propriety prior to submission to the federal granting agency. A master listing of all open HOME grants should be maintained to ensure all underlying data for report preparation is obtained. A certification of the accuracy of the figures reported on the Contract and Subcontract Activity Reports should be obtained from subrecipients submitting these reports. Also, subrecipients with no activity for the specified period should be required to submit a form stating this fact. We further recommend the agency submit a revised report to the U.S. Department of Housing and Urban Development.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)

**CFDA/Finding
Number**

Finding and Recommendation

MISSISSIPPI DEVELOPMENT AUTHORITY

SPECIAL TESTS AND PROVISIONS

Reportable Condition

14.239

HOME Investment Partnerships Program

Federal Award Number and Year: Various

02-18

Internal Controls Should Be Strengthened over On-site Inspections

Finding:

The *Code of Federal Regulations* (24 CFR 92.504) requires the participating jurisdiction to perform on-site inspections during the period of affordability. The period of affordability is the period for which the non-federal entity must maintain rental housing assisted with HOME Investment Partnerships Program funds. The purpose of these inspections is to ensure compliance with housing quality standards per the *Code of Federal Regulations* (24 CFR 92.251 and 92.252).

Testwork performed at the Mississippi Development Authority to ensure these on-site inspections were completed revealed the following problems:

- Ten of 31 required on-site inspections during fiscal year 2002 had not been performed.
- Errors were noted on the agency's on-site inspection tracking document. One project completed during 1996 was erroneously omitted and one project listed which had been completed did not properly document a closed date. These errors subsequently resulted in two of the required on-site inspections not being performed.
- A written report documenting the results of an inspection is not issued to the management of a project inspected. Also, a written response is not received from the management of a project documenting a corrective action plan for any noncompliance issues noted during an inspection.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Good internal control procedures dictate a written report documenting the results of an on-site inspection be issued to the management of a project to provide documentation that management was informed of the results of an inspection. Furthermore, a written response to any noncompliance issues should be obtained from the management of a project to ensure all issues of noncompliance are addressed and corrected. Failure to obtain a written corrective action plan from the management of a project could result in appropriate follow-up action for noncompliance issues not being implemented promptly. Also, without timely inspections, housing quality standards may not be properly maintained.

Recommendation:

We recommend the Mississippi Development Authority strengthen controls to ensure on-site inspections are conducted in compliance with federal regulations for the HOME Investment Partnerships Program. Also, the on-site inspection tracking document should receive a supervisory review for propriety. We further recommend written reports be issued to management documenting the results of on-site inspections and that written corrective action plans be submitted for noncompliance issues noted.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF THE INTERIOR

**CFDA/Finding
Number**

Finding and Recommendation

WILDLIFE, FISHERIES AND PARKS

REPORTING

Reportable Condition

15.605 Sport Fish Restoration
15.611 Wildlife Restoration

Federal Award Number and Year: Various

02-22 Internal Controls Should Be Strengthened over Reporting

Finding:

The *Code of Federal Regulations* (50 CFR 80.3) requires the Mississippi Department of Wildlife, Fisheries and Parks (DWFP) to submit annually a Paid Hunting and Fishing License Certification to the U.S. Fish and Wildlife Service for the Fish and Wildlife Cluster program. In order to accurately represent the number of paid fishing license holders in the State of Mississippi, the DWFP had to include the number of exempt state lake permit holders since they are not required to purchase any other licenses in the State of Mississippi. In addition, the agency had to eliminate the number of duplicate permit holders by using percentages obtained from a survey conducted in fiscal year 1998. The agency's calculations contained errors, resulting in an overstatement (1,096 persons) in the number of paid fishing license holders reported on the fiscal year 2001 annual certification.

In our review of internal controls, we noted a supervisory review was performed; however, the review did not detect the error in the fiscal year 2001 report. Good internal controls require that reports receive adequate supervisory review to ensure accuracy and completeness.

Recommendation:

We recommend the Mississippi Department of Wildlife, Fisheries and Parks strengthen controls by exercising greater care when reports are reviewed by supervisory personnel to ensure propriety prior to submission to federal grantor.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF EDUCATION

**CFDA/Finding
Number**

Finding and Recommendation

EDUCATION

PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Reportable Condition

84.027 Special Education - Grants to States
84.173 Special Education - Preschool Grants

Federal Award Number and Year: H027A990108 & H173A990113, 1999

02-24 Controls Should Be Strengthened to Ensure Proper Determination of Obligation Date of Grant Expenditures

Finding:

Program regulations for the Special Education - Grants to States and Special Education - Preschool Grants require funds to be obligated within a 27 month funding period beginning July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. An additional 90 days is allowed for the liquidation of obligations made by the end of the 27 month funding period.

During testwork performed at the Mississippi Department of Education (MDE), we reviewed expenditures charged to the 1999 Special Education Cluster grants after September 2001, the end of the period of availability for obligations for the 1999 grants. The expenditures reviewed represented reimbursements to local education agencies (LEAs) for program costs. For all expenditures charged to the grants after October 2001, we could not reasonably determine the date of obligation by the LEAs.

Good internal controls dictate adequate supporting documentation be obtained from the LEAs evidencing the period in which program costs are obligated. Failure to obtain documentation of the date costs were incurred by LEAs could allow for charges to grants for costs incurred outside the allowable obligation period.

Recommendation:

We recommend the Mississippi Department of Education strengthen controls by obtaining documentation from LEAs of the obligation date of grant expenditures to ensure grant charges are for the payment of costs incurred during the allowable obligation period.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF EDUCATION (continued)

**CFDA/Finding
Number**

Finding and Recommendation

REHABILITATION SERVICES

MATCHING, LEVEL OF EFFORT, EARMARKING

REPORTING

Reportable Condition

84.126

Rehabilitation Services - Vocational Rehabilitation Grants to States

Federal Award Number and Year: H126A010034, 2001

02-23

Reported Expenditures for State Match Should Agree to Accounting Records

Finding:

The *Code of Federal Regulations* (34 CFR Part 361.64) states federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the State meets the matching requirement for those federal funds by obligating the non-federal share in the fiscal year for which the funds were appropriated.

During matching testwork for the Rehabilitation Services - Vocational Rehabilitation Grants to States (VR) program at the Mississippi Department of Rehabilitation Services, we reviewed the September 30, 2001, financial status report (SF-269) for the fiscal year 2001 Section 110 grant. The agency reported the total recipient share of net outlays (state match) for the grant award in the amount of \$8,943,858. However, the expenditures related to the state match could not be traced into the accounting records. The accounting records did not support that the matching requirements were met by September 30, 2001, due to untimely transfers of expenditures being made from the agency's 3000 treasury funds to its 2000 (state appropriated) treasury funds. It should be noted that the final state match transfer in the amount of \$328,972 for the 2001 grant was not made until January 14, 2003, after the auditor requested supporting documentation to ensure all transfers were made by the end of the grant.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF EDUCATION (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Standards for financial management systems are prescribed by the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (OMB Common Rule). These standards require that grantees maintain accounting records which adequately identify the source and application of funds provided for financially-assisted activities. Also, good internal controls dictate financial information reported to the federal grantor should agree with accounting records in order to support compliance with the matching requirements. Failure to ensure that financial information submitted to the federal grantor agrees to the accounting records could result in a loss of federal funds.

Recommendation:

We recommend the Mississippi Department of Rehabilitation Services ensure amounts reported to the federal government for state match accurately reflect expenditures reported in the agency accounting records. We further recommend the required transfers of expenditures to the state appropriation funds be made in a timely manner.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

**CFDA/Finding
Number**

Finding and Recommendation

FINANCE AND ADMINISTRATION

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

93.UN

Various

Federal Award Number and Year: Various
Questioned Costs: To be Determined

02-21

Transfers from Self-Insurance Funds Should Not Include Federal Funds

Finding:

Chapter 552, General Laws of Mississippi 2002 Regular Legislative Session, directed the State Treasurer to transfer to the Budget Contingency Fund, monies from various funds. Included in this list were the following self-insurance funds and respective amounts that were transferred:

- Fund 3642 - Workers' Compensation Trust Fund (\$3,400,000) ,
- Fund 3080 - Tort Claims Fund (\$ 4,000,000), and
- Fund 3644 - Employment Compensation Revolving Fund (\$1,000,000).

As directed in the approved legislation, the Department of Finance and Administration processed these transfers during the month of April 2002. Section 25.d (5) of Office of Management and Budget (OMB) Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* states, "Whenever funds are transferred from a self-insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer."

Contributions from some of the state agencies which participate in these three self-insurance reserve funds are partially funded with monies drawn from various federal government grant sources. As such, the federal percentage of contributions related to these transfers from these self-insurance reserve funds should be repaid to the federal government as required under Section 25.d(5) of OMB A-87.

Recommendation:

The Department of Finance and Administration should review the activity of these self-insurance funds and make a determination as to what amount should be refunded to the federal government, as required by OMB A-87.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding Number	Finding and Recommendation
	<u>HEALTH</u>
	MATCHING, LEVEL OF EFFORT, EARMARKING
	<i>Reportable Condition</i>
93.991	Preventive Health and Health Services Block Grant Federal Award Number and Year: B1-MS-PRVS, 2001
02-06	<u>Controls over Earmarking Requirements Should Be Strengthened</u> <i>Finding:</i> Federal regulations (42 USC 300w-3(a)(2) and 300w-10(d)), along with the grant award, require the state to expend specific minimum amounts on services to victims of sexual offenses and rape prevention education from the Preventive Health and Health Services Block Grant (PPHS). The Mississippi State Department of Health did not identify expenditures for services to victims of sexual offenses or rape prevention education for the PPHS during fiscal year 2002. Without proper documentation, we were unable to determine that earmarking requirements were met. <i>Recommendation:</i> We recommend the Mississippi State Department of Health strengthen controls to ensure compliance with earmarking requirements for the Preventive Health and Health Services Block Grant. The agency should identify expenditures for services provided to victims of sexual offenses and rape prevention education to ensure earmarking requirements are met in accordance with federal regulations.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

HEALTH

REPORTING

Reportable Condition

93.994

Maternal and Child Health Services Block Grant to the States

Federal Award Number and Year: 6 B04 MC 00301-04, 2000

02-07

Controls Should Be Strengthened to Ensure Reports Are Properly Supported

Finding:

The United States Code (42 USC 706) requires each state to prepare and submit an annual report on the activities of the Maternal and Child Health Services Program. It further requires the report to be in a standardized form and to contain certain information. Additionally, the OMB Circular A-133 Compliance Supplement indicates that Form 3 through Form 8 of the annual report contain critical information. Auditors are required to ensure information on the forms is correct.

Testwork performed at the Mississippi State Department of Health on the fiscal year 2000 annual report submitted with the fiscal year 2002 application revealed the following problems:

- On Form 5, State Title V Program Budget and Expenditures by Types of Services, the agency estimated the expenditures for each type of service listed. However, the agency could not provide supporting documentation of how the estimates were calculated.
- On Form 7, Number of Individuals Served (Unduplicated) Under Title V, supporting documentation could not be provided for information related to children with special health care needs, or the percentages reported in column E - "Primary Source of Coverage - None %".
- On Form 8, Deliveries and Infants Served by Title V and Entitled to Benefits under Title XIX, supporting documentation could not be provided for the total deliveries and total infants in the state eligible for Title XIX.

Good internal controls require supporting documentation be maintained for federal reports. Because supporting documentation was not maintained, as described above, we could not verify that all data on Forms 5, 7 and 8 was correct.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the preparation of federal reports for the Maternal and Child Health Services Program by ensuring supporting documentation is maintained for all data on federal reports.

HEALTH

SUBRECIPIENT MONITORING

Reportable Condition

93.991

Preventive Health and Health Services Block Grant

Federal Award Number and Year: B1-MS-PRVS, 2001 and 2002

02-09

Controls over Subrecipient Monitoring Should Be Strengthened

Finding:

Federal regulations (42 USC 300w-4c(7)) require the state to develop criteria to evaluate the performance of entities receiving Preventive Health and Health Services Block Grant (PHHS) funds. In order to ensure compliance with the federal regulations, the Mississippi State Department of Health stated in its PHHS application that an annual site visit would be performed at each rape prevention and crisis prevention program. Testwork performed on subrecipient monitoring for the fiscal year 2002 audit revealed the following weaknesses:

- Nine out of ten subrecipients tested, or 90 percent, were not monitored in federal fiscal year 2001 (October 1, 2000, thru September 30, 2001).
- Eight out of ten subrecipients tested, or 80 percent, were not monitored in federal fiscal year 2002 (October 1, 2001, thru September 30, 2002).
- The agency did not have adequate procedures in place to ensure all subrecipients were monitored on an annual basis.
- The supervisory review of monitoring reports was not documented.

Good internal controls dictate policies and procedures be in place to ensure subrecipients of federal funds are monitored for compliance with federal requirements and the supervisory review of monitoring reports be documented. Failure to maintain a proper system for monitoring subrecipients could allow noncompliance with federal requirements or mismanagement of federal funds to occur without being detected in a timely manner.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over subrecipient monitoring by implementing procedures to ensure all subrecipients of the Preventive Health and Health Services Block Grant are monitored for compliance with state and federal regulations at least once during the grant period. We further recommend the agency ensure supervisory review of monitoring reports is documented.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Reportable Condition

93.558

Temporary Assistance for Needy Families

Federal Award Number and Year: G-0101MSTANF, 2001

02-10

Controls Should Be Strengthened over Allowable Costs

Finding:

The Mississippi Department of Human Services allocated funds under the Temporary Assistance for Needy Families (TANF) grant to subrecipients to carry out the purposes of the grant. We performed allowable costs/cost principles testwork on 22 payments to subrecipients for fiscal year 2002 and noted the following problems:

- Seven instances in which a comparison of the subrecipient's request for cash to the subsequent reporting worksheet indicated the cash requested was not for current needs. These subrecipients received an initial cash advance for two months of costs based on their approved budget. The cash advanced appeared excessive as disbursement of these funds by the subrecipients exceeded two months based on reporting worksheets subsequently submitted by the subrecipients. We noted the Subgrantee Manual, revised 1996, does not provide a definition of current needs. However, agency personnel stated that when subrecipients submitted the first request for cash at the beginning of the grant period, they were allowed to request two months in advance to assist in the initial start-up of their programs.
- Four instances in which the auditor was not able to correlate the costs reported by the subrecipient per the reporting worksheet with the amount of cash requested for the same time period. It appears manual changes were made by agency personnel to the reporting worksheets and/or requests for cash which may not have been communicated to the subrecipients.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Adequate controls should be in place to ensure that payments are made in accordance with the allowable costs/cost principles guidelines. Without a clear definition of immediate needs and the policy of allowing subrecipients to request an advance of two months costs based on their approved budget, the agency could be responsible for drawing federal funds for an excessive period of time before expenditures are actually incurred by the subrecipients.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen its existing controls for allowable costs/cost principles. The agency should consider reevaluating its policy of allowing subrecipients to request a two month advance, restricting cash advances to immediate needs. The agency should also provide a clear definition of immediate cash needs to subrecipients. We also recommend any changes made by agency program personnel to reporting worksheets and/or requests for cash be clearly communicated to the subrecipient.

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Reportable Condition

93.667

Social Services Block Grant

Federal Award Number and Year: G-0201-MS-SOSR, 2002

02-11

Controls over Allowable Costs Should Be Strengthened

Finding:

During allowable costs/cost principles testwork on 40 payments to subrecipients of the Social Services Block Grant at the Mississippi Department of Human Services, the following were noted:

- Twenty-seven instances in which a comparison of the subrecipient's request for cash to the subsequent reporting worksheet indicated the cash requested was not for current cash needs. The time between receipt of requested cash and the subsequent disbursement by the subrecipient as reported on the reporting worksheet appeared to be excessive. Instances noted by the auditor indicated subrecipients were drawing funds several months ahead of actual need based on the approved budget. We also noted the Subgrantee Manual, revised 1996, did not provide a definition of current needs.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

- Eleven instances in which reporting worksheets were not submitted timely to account for funds requested on requests for cash. In these instances, the reporting worksheets were from one to four months late.

Adequate controls should be in place to ensure that payments are made in accordance with the allowable costs/cost principles guidelines. Also, per the agency's Subgrantee Manual, Revised 1996, reporting worksheets should be submitted for each calendar month by the tenth calendar day of the following month. Without clear guidelines to aid subrecipient's in determining current needs, the agency could be responsible for drawing federal funds for an excessive period of time before expenditures are incurred by the subrecipients.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls over allowable costs/cost principles. The agency should provide a definition of current needs and include this in the next revision to the Subgrantee Manual. The agency should not allow subrecipients to draw federal funds in advance for an excessive amount of time. We further recommend the agency ensure subrecipients submit Reporting Worksheets by the tenth day of the following calendar month as required in the agency's Subgrantee Manual.

HUMAN SERVICES

MATCHING, LEVEL OF EFFORT, EARMARKING

Reportable Condition

93.667

Social Services Block Grant

Federal Award Number and Year: G-0201-MS-SOSR, 2002

02-12

Controls over the Earmarking Requirement Should Be Strengthened

Finding:

Federal Regulations (42USC 604(d)(3)(B)) states that Social Services "shall use all of the amount transferred from Temporary Assistance for Needy Families (TANF) only for programs and services to children or their families whose income is less than 200 percent of the official poverty guidelines." The Mississippi Department of Human Services - Office of the Social Services Block Grant (SSBG) used TANF funds transferred to SSBG to fund a contract with the Division of Family and Children Services (FCS). SSBG did not specify in the grant award/contract agreement with FCS the special circumstances under which the grant funds could be utilized. FCS used the transferred TANF funds for payments to residential treatment facilities. The residential treatment facilities provide programs and treatment to children who may or may not qualify under TANF guidelines.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Our review of the use of transferred TANF funds found that FCS did not identify those families served under the contract agreement whose income met the 200 percent of poverty guideline requirements. Not documenting and verifying the restricted uses of the TANF funds could result in questioned costs for the program. Without proper documentation of the families' income, we were unable to determine whether the families being served with the TANF transfer funds were eligible based upon the income requirements and therefore could not determine questioned costs.

Recommendation:

We recommend the Mississippi Department of Human Services - Office of the Social Services Block Grant (SSBG) specify in the contract agreement with the Division of Family and Children Services (FCS) the special circumstances under which the grant funds can be utilized. SSBG should also verify that FCS is performing services in accordance with the contractual agreement.

HUMAN SERVICES

PROCUREMENT AND SUSPENSION AND DEBARMENT

Reportable Condition

93.558

Temporary Assistance for Needy Families

Federal Award Number and Year: G-0101MSTANF, 2001

02-13

Competitive Procurement Practices Should Be Followed for the TANF Program

Finding:

The State of Mississippi was identified by the U.S. Department of Health and Human Services as one of several states not making the maximum use of the federal Temporary Assistance to Needy Families (TANF) funds that had been awarded to the state since the program's implementation. The Department of Human Services administers the TANF grant for the State of Mississippi. In an effort to identify additional program areas for which TANF funds could be utilized, the agency implemented six initiatives in state fiscal year 2002. These initiatives were to provide funds to groups/individuals interested in developing programs to assist needy families end their dependency on welfare. The six initiatives funded by the agency for fiscal year 2002 were:

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

- Families First Resource Centers;
- Adolescent Offender;
- Special Needs;
- Fatherhood;
- Post Employment Assistance; and
- Prevention/Intervention.

In six requests for proposals (RFP) dated June 7, 2001, the agency solicited proposals from interested parties for programs to implement the six initiatives. Proposals were due to the agency by July 13, 2001. The developed review process called for three reviewers to rank and score each proposal received based upon predetermined criteria established by the agency. Reviewers consisted of agency personnel from the state office, as well as county offices. The reviewers provided written comments (both positive and negative), checked a "Yes" or "No" line to indicate a recommendation for funding, and provided a numerical score between 1 and 100. The three scores for each proposal were averaged to determine a total ranking score. All proposals receiving a total ranking score of 80 or above were to be considered for funding. At the conclusion of the review process, a total of 147 proposals were approved by the agency for funding totaling over \$20,000,000.

Of the 588 proposals submitted in response to the requests for proposals, we selected 40 proposals to review the agency's adherence to the prescribed procedures for awarding funds. The following problems were noted:

- Five proposals were approved by the agency for funding in which the score given by the reviewers was less than 80, and the reviewers' comments indicated required information was not included in the proposal. It appears no follow-up was performed to require submission of the needed information before or after funding was approved.
- One proposal approved for funding received a score of 80 or above, but we noted the organization had prior year monitoring findings and questioned costs for this same program. According to agency personnel, funds were not to be released to this organization because of the prior year questioned costs. However, we noted \$30,000 was paid to this organization before resolution of all prior year questioned costs and monitoring findings.

By funding proposals which received a score of less than 80 and also lacked required information, and funding proposals from subrecipients with unresolved findings and questioned costs, the agency appears to have undermined the competitive process of determining the best proposals to fund and could put the agency in jeopardy of incurring questioned costs due to poor performance by subrecipients.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

We also noted that for fiscal year 2002, the Department of Human Services (DHS) established the Family Mentoring program under TANF as a pilot program. The agency stated in the state plan that this program would be awarded on a non-competitive basis. Agency personnel stated that three subrecipients who had previous experience with DHS programs were selected to administer the pilot program in the northern, central and southern regions of the state. Each subrecipient was awarded \$1 million under the program. Testwork performed revealed that two of the three subrecipients selected had prior year monitoring findings including questioned costs which had not been resolved prior to the awarding of the Family Mentoring funds. We also noted that current year monitoring of these three subrecipients revealed substantial problems and also noted that all three monitoring documents indicate initial questioned costs equaling a substantial portion of the award for all three. One of the subrecipient's file has been forwarded to the Bureau of Investigations within DHS for additional work.

While the agency did state in their state plan that the Family Mentoring program would be awarded on a non-competitive basis, it appears that selecting subrecipients with prior monitoring problems including questioned costs has placed federal funds in jeopardy.

Recommendation:

We recommend the Mississippi Department of Human Services review procedures for determining funding for subrecipient proposals under the TANF initiatives. These procedures should include carefully following the guidelines and requirements established by the agency to ensure competitive procedures are employed in the funding of proposals. We further recommend that, in the future, the agency exercise due care in awarding federal program funding. Using a non-competitive process and selecting subrecipients with prior monitoring findings and questioned costs does not appear to be prudent. We recommend the agency follow its standard procedures of issuing a Request for Proposal and using a competitive basis for awarding funds.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>HUMAN SERVICES</u>
	REPORTING
	<i>Reportable Condition</i>
93.558	Temporary Assistance for Needy Families Federal Award Number and Year: G-0201MSTANF, 2002
02-14	<u>Controls over Reporting Should Be Strengthened</u> <i>Finding:</i> In performing testwork on reporting for the Temporary Assistance for Needy Families (TANF) program at the Mississippi Department of Human Services for fiscal year 2002, we selected the ACF-196 report and supporting documentation for the quarter ending March 31, 2002. The accompanying supporting documentation included a spreadsheet prepared by agency personnel to accumulate and total expenditure amounts to be shown on the federal financial report. Amounts totaling \$1,349,240 for the quarter ending March 31, 2002, were included on the expenditure spreadsheet twice, causing an overstatement of expenditures. Also, agency personnel failed to include expenditures in the amount of \$2,466 in the federal column of the expenditures spreadsheet. Therefore, the errors noted caused total expenditures on the ACF-196 report to be overstated by \$1,346,774. As a result, agency personnel reported inaccurate expenditures for the TANF Program to the federal grantor. Good internal controls dictate a documented supervisory review be performed to ensure that reports are complete and accurate prior to submission to the federal grantor. <i>Recommendation:</i> We recommend the Mississippi Department of Human Services strengthen controls over federal financial reporting to ensure expenditures reported on the ACF-196 quarterly federal financial reports for the Temporary Assistance for Needy Families Program are accurate prior to submission to the federal grantor.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding Number	Finding and Recommendation
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HUMAN SERVICES

SUBRECIPIENT MONITORING

Reportable Condition

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Federal Award Number and Year: Various

02-15	<u>Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened</u>
-------	--

Finding:

Office of Management and Budget (OMB) Circular A-133 requires the pass through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending \$300,000 or more in federal awards during the subrecipient's fiscal year. The audits are due to the primary agency within nine months after the end of the subrecipient's fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action.

The Mississippi Department of Human Services provided \$300,000 or more of federal financial assistance to multiple subrecipients through a variety of federal programs during fiscal year 2000. Testwork performed during the fiscal year 2002 audit on subrecipient audits received and reviewed by the agency for subrecipient audit year 2000 revealed the following:

- For four of 19 subrecipients tested, or 21 percent, we noted audit reports were not received by the agency within the nine-month deadline. We also noted the agency failed to send timely reminder letters to three of these four subrecipients. In two instances, reminder letters were sent after the subrecipient's audit deadline. For one subrecipient, the reminder letter was sent less than three weeks before the audit report was due.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

- For one of 19 subrecipients tested, or 5 percent, we noted the agency had not yet received an audit report as required from the subrecipient.
- For one of 19 subrecipients tested, or 5 percent, we noted the agency failed to respond to an audit finding within six months of receipt of the report from the subrecipient. It is the responsibility of the division providing funding to the subrecipient to perform follow-up on the audit findings.

Without adequate controls over the submission of audit reports and prompt follow-up of audit findings, the agency could fail to comply with federal requirements. Also, federal noncompliance by subrecipients could occur and not be detected timely. While the agency does have a centralized system for receiving subrecipient audit reports, it appears that controls in place to ensure audit reports are submitted timely, reminder letters are mailed timely, and corrective action is taken in a timely manner need to be strengthened.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subrecipient audit reports are received timely, and review of subrecipient audits are completed timely. Reminder letters should be mailed to subrecipients in a timely manner to ensure compliance with audit requirements. The appropriate funding division within the agency should be notified of any subrecipient audit findings and should resolve these findings within six months of receipt of the report by the agency.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Reportable Condition

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Federal Award Number and Year: Various

02-16	<u>Controls over Subrecipient Monitoring Should Be Strengthened</u>
-------	---

Finding:

The Mississippi Department of Human Services' Division of Program Integrity -Bureau of Audit and Evaluation is responsible for monitoring subrecipients. Monitoring procedures include testwork on eligibility determination, purchase and recording of equipment, cash receipts, and cash disbursements. The monitoring workpapers are reviewed and approved by supervisory personnel prior to issuance of a written report to the subrecipients. The Bureau of Audit and Evaluation's policy is to complete the monitoring report within 30 calendar days after the exit conference. We performed testwork on the monitoring of 25 subrecipients and noted the following problems:

- Three instances in which the monitoring reports were not issued within 30 calendar days. In these instances the monitoring workpapers were not reviewed and approved by supervisory personnel until well after the 30 day deadline for completion of the monitoring report.
- Two instances in which the monitoring reports had not been issued as of our testwork date, although both reports were several months past the 30 day deadline. In these instances, the monitoring workpapers were reviewed and approved by supervisory personnel in a timely manner.

Good internal controls require monitoring workpapers be promptly reviewed by supervisory personnel and monitoring reports be issued timely. Noncompliance with federal regulations and mismanagement of federal funds could occur and go undetected if review of workpapers and issuance of reports are not timely.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services - Bureau of Audit and Evaluation strengthen controls in place over subrecipient monitoring by ensuring review and approval of monitoring workpapers is completed in a timely manner so that reports can be issued within 30 calendar days of the exit conference as required by the agency's policy.

MEDICAID

SPECIAL TESTS AND PROVISIONS

Reportable Condition

93.778

Medical Assistance Program

Federal Award Number and Year: 050205MS5028, 2002

02-19

Procedures Should Be Implemented to Ensure Audits of Long-Term Care Facility Cost Reports Are Performed in Accordance with the State Plan

Finding:

The Office of the Governor - Division of Medicaid failed to conduct audits of long-term care facility cost reports in accordance with the Mississippi Medicaid State Plan. Attachment 4.19 D, page 22, states "audits will be performed each year on at least 25 percent of the long-term care facilities certified for Title XIX." The Division of Medicaid - Bureau of Compliance and Financial Review took over the audit function January of 1999 from the fiscal agent, because the work was not being completed in a timely manner. The Division developed a plan to contract with CPA firms for completion of the remaining calendar year 1997 nursing home audits, as well as, the audits for calendar years 1998 and 1999. This contracted work was to have been completed by June 2001. The Division's plan also included contracting with firms to perform the independent reviews of the completed audits prior to the Division receiving the audits for in-house review. Testwork performed for the fiscal year 2002 audit of the Division of Medicaid revealed only the audits from fiscal year 1999 (calendar year 1997) have been finalized. The other audits are still in various stages of completion as follows:

- For the 49 audits scheduled for the 2000 fiscal year (calendar year 1998), the audits have been completed by CPA firms. However, final reports have not been issued by the Division of Medicaid for five of the audits.
- For the 62 audits scheduled for the 2001 fiscal year (calendar year 1999), the audits have been completed by the contracted firms. However, final reports have not been issued by the Division of Medicaid for 43 of the audits.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Each year since the Bureau of Compliance and Review took over the audit function from the fiscal agent, due dates from the original plan have been changed and estimated completion dates for the back log of audits have been extended. In discussion with agency personnel, they indicated that the agency is reviewing several possible changes to the State Plan and Bureau of Compliance and Financial Review policies to re-structure the audit process. They are reviewing work performed by other state Medicaid organizations to facilitate a more stream-lined approach to audit selection and completion. Failure to conduct audits of the long-term care facilities in a timely manner could result in noncompliance with the State Plan, and furthermore, could result in inaccurate payments to providers due to the possibility of unallowable costs being reported in provider cost reports.

Recommendation:

We recommend the Office of the Governor - Division of Medicaid continue to develop procedures over audit selection, contracting and review to ensure audits of long-term care facility cost reports are completed in a timely manner to facilitate rate changes for unallowed costs identified by the audits.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (concluded)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)

CFDA/Finding
Number

Finding and Recommendation

MEDICAID

SPECIAL TESTS AND PROVISIONS

Reportable Condition

93.778

Medical Assistance Program

Federal Award Number and Year: 050205MS5028, 2002

02-20

Controls Should Be Strengthened to Ensure Long-Term Care Facility Rates Are Adjusted
Timely after Audit Reports Are Issued

Finding:

During the fiscal year 1999 audit of the Office of the Governor - Division of Medicaid, we noted long-term care facility per diem rates for 1997 cost reports were not calculated in accordance with the Mississippi Medicaid State Plan. Attachment 4.19 D, Sections 3-7, state "adjustments will be made to the rates as necessary to comply with changes in state or federal law or regulation." Testwork performed on 20 long-term care facilities revealed a systematic problem in the calculation. An error was made in computing the adjustment to properly reflect the increase in the minimum wage. This error resulted in an underpayment to 13, or 70 percent, of the long-term care facilities tested. Total underpayments to long-term care facilities tested was calculated to be approximately \$32,919, of which the federal share was approximately \$25,275.

During our current year audit at the Office of the Governor - Division of Medicaid, we noted the agency's Reimbursement Department had not adjusted the 13 rates noted in the audit of a prior year. Agency personnel have stated that the rates would be adjusted when all the 1997 cost report audits were completed by Bureau of Compliance and Financial Review. The 1997 cost report audits were finalized by the Bureau of Compliance and Financial Review by July 2001 and our testwork revealed as of September 30, 2002, no rate adjustments had been made to the per diem's of the long-term care facilities.

Failure to adjust rates on the long-term care facilities results in noncompliance with the State Plan, and furthermore, results in inaccurate payments to providers.

Recommendation:

We recommend the Office of the Governor - Division of Medicaid strengthen controls to ensure per diem rates for long-term care facilities based on audit findings or finalized audits are adjusted in the payment system to comply with the Mississippi Medicaid State Plan. We further recommend the agency adjust payments to long-term care facilities paid in error. Documentation that adjustments were made should be provided to the auditors by the agency for follow-up purposes.

II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS



STATE OF MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002**

Instructions to Management

Each state grantee agency included in the prior year Single Audit Report for the State of Mississippi prepared a summary schedule of prior federal audit findings as required by OMB Circular A-133, Section 315 (b). In order to provide a systematic approach for reporting, agencies were asked to follow the format listed below.

For each prior year federal audit finding, the agency should include the following: (1) finding identification including finding number, finding heading, *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) current status, and (3) planned corrective action, if required. These items are discussed below:

- (1) Each finding number, finding heading, CFDA number and program name should be listed in the same sequence as presented in the prior year Single Audit Report.
- (2) The current status should be identified with one of the following terms:
 - a. "Fully Corrected" - All corrective action has been taken.
 - b. "Partially Corrected" - Some, but not all, corrective action has been taken.
 - c. "Not Corrected" - Corrective action has not been taken.
 - d. "Not Valid" - Finding is no longer valid and does not warrant further action.
- (3) Corrective action should be noted for findings that are not identified as "Fully Corrected."
 - a. When audit findings are "Partially Corrected" or "Not Corrected," describe the planned corrective action as well as any partial corrective action taken.
 - b. When audit findings are "Not Valid," describe the reasons the findings are no longer considered valid or do not warrant further action.

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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

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STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
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01-35	(Not used)	None

*a Even though the agency indicates the finding was fully corrected, a similar condition existed in fiscal year 2002, and a finding was written to address the condition.

*b Even though the agency indicates the finding was not corrected, a finding was not written in fiscal year 2002 to address the condition as these costs are under appeal with the U.S. Department of Health and Human Services Departmental Appeals Board.

*c Even though the agency indicates both of these findings were partially corrected, one finding was written to address the condition in fiscal year 2002.

*d Even though the agency indicates the finding was partially corrected, no finding was considered necessary in fiscal year 2002. Other compensating controls have been implemented which appear to be operating effectively.

*e Even though the agency indicates the finding was fully corrected, a similar condition was identified during follow up procedures in fiscal year 2002, and a finding was written to address the condition.

STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

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STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
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**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Henry L. Johnson
State Superintendent of Education

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2002**

00-14 Internal Controls Should Be Established Over Reporting

CFDA #10.553	School Breakfast Program
CFDA #10.555	National School Lunch Program
CFDA #10.556	Special Milk Program For Children
CFDA #10.558	Child and Adult Care Food Program
CFDA #10.559	Summer Food Service Program For Children

FULLY CORRECTED

01-08 Internal Controls Should Be Established Over Reporting

CFDA #10.553	School Breakfast Program
CFDA #10.555	National School Lunch Program
CFDA #10.556	Special Milk Program For Children
CFDA #10.558	Child and Adult Care Food Program
CFDA #10.559	Summer Food Service Program For Children

FULLY CORRECTED

01-11 Controls over Subgrant Applications Should Be Strengthened

CFDA #84.027	Special Education - Grants to States
CFDA #84.173	Special Education - Preschool Grants

FULLY CORRECTED

Signed: Henry L. Johnson
Henry L. Johnson, State Superintendent of Education

Date: August 14, 2002

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individual completing the report has been implemented. A more detailed review will be conducted by the immediate supervisor on all future reports.

01-03 Controls Should be Strengthened to Ensure Special Reports are Accurate, Complete and Properly Supported

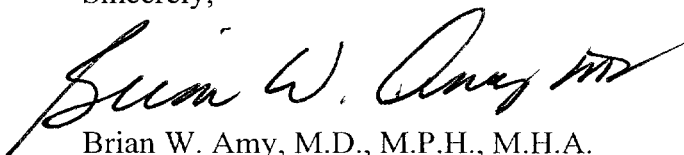
CFDA 93.994 Maternal and Child Health Services Block Grant to the States

PARTIALLY CORRECTED

1. On August 26, 2002, during the MCH Block Grant Review we were informed by the HRSA Regional Administrator that since few states could provide current and complete vital records information estimates should be provided for those areas for which data was not available. Methods of estimating would not require pre-approval, however, estimates should be footnoted as such on the report. This change resolves the problem of our not having certain statistical vital records data available.
2. The staff oversight of missing information on the Form 5 was corrected with submission of a revised Form 5 on August 11, 2000, as noted in our original response to the finding.
3. We are continuing to work with the Bureau of Public Health Statistics to implement changes to capture data on unduplicated infant users under one year of age. We hope to have this data available for the 2003 birth cohort.
4. Review and oversight responsibilities have been implemented and will continue. This component of the finding is fully corrected.

Should you have questions or require additional information please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian W. Amy MD". The signature is fluid and cursive, with a stylized "B" and "A".

Brian W. Amy, M.D., M.P.H., M.H.A.
State Health Officer



STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
JANICE BROOME BROOKS
EXECUTIVE DIRECTOR

October 9, 2002

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following are our responses and corrective action plans to your prior year audits for the years 2000 and 2001.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2002

00-25 A UPS Should Be Installed for Computer and Support Equipment

CFDA# 93.563

Child Support Enforcement

FULLY CORRECTED.

01-12 Controls Should Be Strengthened for Allowable Costs/Costs Principles

CFDA #93.558

Temporary Assistance for Needy Families (TANF)

FULLY CORRECTED

01-13 Controls over Child Support Enforcement Expenditures Should Be Strengthened

CFDA# 93.563 Child Support Enforcement

FULLY CORRECTED.

01-14 Controls over Cost Allocation Plan Should Be Strengthened

CFDA #93.558	Temporary Assistance for Needy Families (TANF)
CFDA #93.563	Child Support Enforcement
CFDA #93.568	Low-Income Home Energy
CFDA #93.575	Child Care and Development Block Grant
CFDA #93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA #93.658	Foster Care - Title IV-E

FULLY CORRECTED

01-15 Controls over Cash Management Should Be Strengthened

CFDA #93.558	Temporary Assistance for Needy Families (TANF)
CFDA #93.563	Child Support Enforcement
CFDA #93.568	Low-Income Home Energy
CFDA #93.575	Child Care and Development Block Grant
CFDA #93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA #93.658	Foster Care - Title IV-E

FULLY CORRECTED

01-16 Competitive Procurement Practices Should be Followed for the TANF Program

CFDA# 93.558 Temporary Assistance for Needy Families

FULLY CORRECTED.

01-17 Certification Regarding Suspension and Debarment Should Be Included In Contracts

CFDA# 93.563 Child Support Enforcement

FULLY CORRECTED.

01-18 Federal Financial Reports Should Agree with Accounting Records

CFDA #93.558 Temporary Assistance for Needy Families (TANF)

FULLY CORRECTED

01-19 Controls over Reporting Should Be Strengthened

CFDA #93.658 Foster Care - Title IV-E

NOT CORRECTED

We concur that the Agency's accounting records do not agree with the IV-E Report in one instance. This adjustment is an IHHS adjustment of \$20,000 that occurred during the October - December 1999 quarter. However, the IV-E quarterly report has been adjusted to reflect that amount.

Once the Office of Inspector General Audit is resolved, all IHHS expenditures will be integrated into our accounting records. To make any adjustments at this time will further complicate the process of making the necessary corrections.

01-20 Controls Should Be Strengthened for Monitoring Subrecipient Audit Requirements

CFDA# 93.558	Temporary Assistance for Needy Families
CFDA# 93.563	Child Support Enforcement
CFDA# 93.568	Low-Income Home Energy Assistance
CFDA# 93.575	Child Care and Development Block Grant
CFDA# 93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA# 93.658	Foster Care - Title IV-E

PARTIALLY CORRECTED

We have revised the Subrecipient Audit Tracking System and the reminder letters to include the deadline for submitting audit reports to the Agency; and, we have revised our review procedures to ensure that the appropriate funding divisions within the Agency are notified of any audit findings and are advised that the deadline for resolving the audit findings is six months from the date the audit is received by the Agency. We have not, however, been able to fully implement procedures to ensure that reviews of subrecipient audits are completed in a timely manner because we have not assigned additional employees with fiscal experience to review audit reports, to maintain the Subrecipient Audit Tracking System and to issue reminder letters to subrecipients.

01-21 Controls Should Be Strengthened over Subrecipient Monitoring

CFDA #93.558	Temporary Assistance for Needy Families
CFDA #93.568	Low-Income Home Energy Assistance

CFDA #93.575	Child Care and Development Block Grant
CFDA #93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

PARTIALLY CORRECTED

We have implemented procedures whereby the monitoring workpapers are: (1) fully completed, (2) that all problems noted on the monitoring instruments/work papers are communicated to subrecipients in the monitoring report, (3) documents are available to support each finding in each monitoring report, and (4) communication with each subrecipient continues until all monitoring findings and/or questioned costs are resolved or cleared. We have not been able to ensure monitoring reports are issued within 30 calendar days of the exit conference or status reports issued timely because all the contract workers were laid off in June, 2002 and we lost four additional state service workers, further reducing the work staff. Two of the contract workers have since been hired into time limited positions enabling them to work on TANF and non-TANF contracts, but none of the other positions have been filled.

Procedures have been implemented to appoint one Bureau of Audit and Evaluation staff person to maintain an overall tracking system to ensure that tracking of subrecipient monitoring is updated weekly and a copy of the overall tracking system is forwarded to the Director of the Bureau of Audit and Evaluation for review each week.

01-22 Monitoring Staff Should Be Adequately Trained

CFDA #93.558	Temporary Assistance for Needy Families
CFDA #93.568	Low-Income Home Energy Assistance
CFDA #93.575	Child Care and Development Block Grant

CFDA #93.596

Child Care Mandatory and Matching Funds of the Child
Care and Development Fund

PARTIALLY CORRECTED

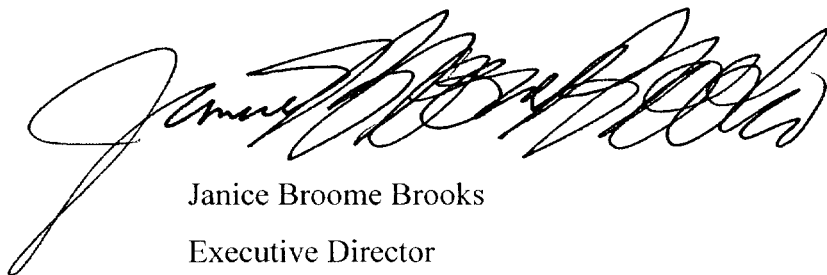
All monitoring staff have received staff development training and will receive more training in November, 2002 in preparation of the FY 2003 contracts.

Procedures are in place to hire qualified staff based on prior experience and/or education in accounting procedures and provide them adequate staff training.

The Bureau of Audit and Evaluation has notified each MDHS funding division of the federal statute regarding debarment and suspension. Each funding division has been advised to institute a control mechanism for screening each subgrantee to ensure that those on the debarment and suspension list are not considered for funding.

Should you have any questions regarding our responses or corrective action plans, please feel free to contact Peter Boulette of the Division of Budgets and Accounting at 359-4665.

Sincerely,

A handwritten signature in black ink, appearing to read "Janice Broome Brooks", written in a cursive style.

Janice Broome Brooks

Executive Director

October 9, 2002

JBB:PB:jc



STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR
DIVISION OF MEDICAID
RICA LEWIS-PAYTON
EXECUTIVE DIRECTOR

January 23, 2003

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

Below is a summary of additional actions taken during FY 2002 for audit findings on the financial statements of the Office of the Governor, Division of Medicaid for Fiscal Year 2001. Our reply to the specific finding is noted in the response and corrective action plan that follow:

UPDATED SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2001

Medicaid

00-9 Controls Should Be Strengthened to Ensure Audits of Long-Term Care Facility
Cost Reports are Performed in Accordance with the State Plan

93.778 Medical Assistance Program

PARTIALLY CORRECTED

At this time, only the five outstanding audits from Cost Report Year 1998 are overdue. All other outstanding audits are not yet due and are scheduled to be completed timely.

Under state law, providers must keep their documentation for three years after they submit their cost reports to the Bureau of Reimbursement. The Bureau of Reimbursement does not release the cost reports to the Bureau of Compliance and Financial Review (BCFR) until 15 to 18 months after they are submitted by the

January 23, 2003
Mr. Phil Bryant
Page 2

providers. Therefore, the BCFR has approximately 18 – 21 months to schedule field audits to accommodate the three-year documentation retention requirement.

The status of the outstanding audits as of January 22, 2003 is as follows:

The audits for Calendar Year 1998 should have been completed by May 31, 2002. Of the 49 audits for Calendar Year 1998, 44 audits are complete. Final reports for the remaining five audits should be issued no later than February 28, 2003.

The audits for Calendar Year 1999 are due to be completed by May 31, 2003. The BCFR has completed 19 of the 62 Calendar Year 1999 audits. On the current schedule, the BCFR will have performed and completed all of the Calendar Year 1999 audits no later than April 30, 2003, which is 14 audits more than the number of audits required by the State Plan (25%) and which is one month prior to our agency's three year due date.

The audits for Calendar Year 2000 are due to be completed by May 31, 2004. For the 61 audits for calendar year 2000, BCFR staff have performed 1 audit.

Please call Jan Larsen at 987-3902 if you have any questions relative to our response and corrective action plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rica Lewis-Payton', written over a horizontal line.

Rica Lewis-Payton

RLP/BP/rc

DEPARTMENT OF MENTAL HEALTH

State of Mississippi



ALBERT RANDEL HENDRIX, Ph.D.
Executive Director
Robert E. Lee Building, Suite 1101
239 North Lamar Street
Jackson, Mississippi 39201
(601) 359-1288 • FAX 359-6295
TDD Phone (601) 359-6230

SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS For the Year Ended June 30, 2002

01-06 Procedures should be established to ensure required
independent peer reviews are performed

93.959 Block Grants for Prevention and Treatment of
Substance Abuse; Federal Award No. and Year:
01B1MSSAPT

FULLY CORRECTED

Signature:

A handwritten signature in black ink that reads "Albert Randel Hendrix, Ph.D.".

Albert Randel Hendrix, Ph.D.
Executive Director

Date:

October 14, 2002

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STATE OF MISSISSIPPI
MILITARY DEPARTMENT

THE ADJUTANT GENERAL'S OFFICE
POST OFFICE BOX 5027
JACKSON, MISSISSIPPI 39296-5027



**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2002**

00-16 Suspension and Debarment Clause Should Be Included as a State Contract Provision


12.401 National Guard Military Operations and Maintenance (O & M)
Projects

FULLY CORRECTED

01-04 Suspension and Debarment Clause Should Be Included as a State Contract Provision

12.401 National Guard Military Operations and Maintenance (O & M)
Projects

FULLY CORRECTED

Signature: 
James H. Lipscomb III
MG, MSARNG
The Adjutant General

Date: 19 Jan 02

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STATE OF MISSISSIPPI
RONNIE MUSGROVE, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
ROBERT J. ROHRLACK, JR., CED
EXECUTIVE DIRECTOR

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2001

01-23 Internal Controls over Subrecipient Monitoring Should be Strengthened

93.585 Empowerment Zones Program

FULLY CORRECTED

01-27 Internal Controls over Reviews of Requests for Cash Should be Strengthened

14.239 HOME Investment Partnerships Program

PARTIALLY CORRECTED

We continue to identify the condition(s) causing corruption to system data. We are currently considering upgrading the system, which should eliminate the errors we have experienced. Internal control measures to prevent payments to subrecipients in excess of the budget allotment are in place and are in addition to the automated system controls.

01-28 Internal Controls over Expenditures Should be Corrected

93.585 Empowerment Zones Program

FULLY CORRECTED

Signed: 
Lynda Dutton, Comptroller

Dated: 12/4/08

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Mississippi Department of Rehabilitation Services

Providing the freedom to live

Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2002

01-09 Internal Controls over Annual Reviews of IPE's Should Be Strengthened

CFDA # 84.126

Rehabilitation Services – Vocational Rehabilitation Grants
to States

PARTIALLY CORRECTED

In our agency responses from the fiscal year 2001 Single Audit, we stated in our corrective action plan that:

1. A memo from the Director of the Office of Vocational Rehabilitation will go to all VR staff addressing this issue.
2. A meeting will be conducted with supervisory and management staff to address this issue.
3. The agency Quality Assurance Division will be utilized to help monitor cases for this area.
4. Annual reviews of the IPE will be included in agency training.

We are pleased to state that all items in our corrective action plan have been performed/implemented and that we feel that this finding has been fully corrected from the time the auditors brought the finding to our attention. However, due to that fact that the finding was noted in February 2002, we are noting this finding as “partially corrected” as the auditors may note this same issue during their fiscal year 2002 audit, which covers the period beginning July 1, 2001.

01-29 Reported Expenditures for State Match Should Agree to Accounting Records

CFDA # 84.126

Rehabilitation Services – Vocational Rehabilitation Grants
to States

PARTIALLY CORRECTED

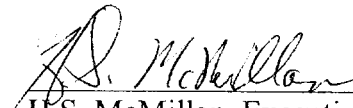
A review was performed and changes were made regarding the transferring of the nonfederal share of expenditures from our 3000 to our 2000 funds or our Health Care Expendable funds. Procedures were added which will include a monthly review of our transfers made throughout each respective month. This review will be performed in

1281 Hwy 51 N. Madison MS 39110 • P.O. Box 1698 Jackson MS • 601-853-5100 (Voice or TDD)

conjunction with our preparation of the monthly Cash Worksheets and any transfers not made during a respective month will be made after verification/approval of the Cash Worksheets by supervisory personnel. As for the September 30th federal fiscal year end, we will monitor our transfers periodically during the months of August and September to ensure all of our related match has been transferred to the respective agency funds, by September 30th, as to provide the necessary audit trail. In addition, procedures were changed regarding the handling of the Health Care Expendable funds as they are now maintained in separate treasury funds with expenditures being recorded in these respective funds.

Although we feel that we have fully corrected this item noted by the auditors, we have noted it as being partially corrected due to the timing of the finding. Since the auditor's finding was brought to our attention in February 2002, a review by the state auditors for the fiscal year 2002 audit regarding transfers made by September 30, 2001 will reflect the same situation in that although our matching requirement had been met, not all transfers into the 2000 funds and Health Care Expendable funds were made by September 30, 2001. With new procedures implemented, we feel that this finding will be fully corrected in the auditor's fiscal year 2003 audit.

Signed:


H.S. McMillan, Executive Director

Date:

1-24-2003

*OFFICE OF
STATE AID ROAD CONSTRUCTION
MISSISSIPPI DEPARTMENT OF TRANSPORTATION
P. O. BOX 1850
JACKSON, MISSISSIPPI 39215-1850*

*J. Brooks Miller, Sr.
State Aid Engineer
Telephone 359-7150*

*401 North West Street
Jackson, Mississippi 39201
FAX 359-7141*

**Schedule of Prior Federal Audit Findings
For the Year Ended June 30, 2002**

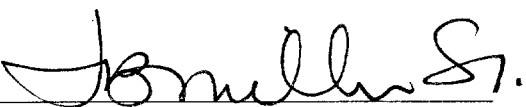
01-07, 00-02 Internal Controls over Sampling and Testing of Materials Should Be Strengthened

20.205 Highway Planning and Construction

Partially Corrected

The State Aid District Engineers were notified that all projects should be closely monitored to ensure that all required tests are performed. A notification was sent to all County Engineers to remind them that they are responsible for performing tests as required by the Office of State Aid Road Construction Standard Operating Procedures. We are in the process of updating our Standard Operating Procedures and Specification Book to more clearly outline the requirements for sampling and testing of materials. This will assist in strengthening our internal control over these items.

The State Aid District Engineers are responsible for ensuring that copies of all required tests are submitted for projects in their district. The file clerks are responsible for filing the reports in each project folder. The corrective plan of action was started on January 2, 2001.

Signed 
J. Brooks Miller, Sr., State Aid Engineer

Date 8-20-02

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**MISSISSIPPI
DEPARTMENT OF WILDLIFE, FISHERIES AND PARKS**

**SAM POLLES, Ph. D
Executive Director**

SINGLE AUDIT FINDINGS

October 3 , 2002

Office of the State Auditor
Attn: Rob Robertson
P. O. Box 956
Jackson, MS 39205-0956

REPORTABLE CONDITIONS

ACTIVITIES ALLOWED or UNALLOWED

01-30 Internal Controls Should Be Strengthened over Activities Allowed or Unallowed

**15.605-Sport Fish Restoration
15.611-Wildlife Restoration**

Fully Corrected

Tables have now been updated by the current Federal Aid Accountant, and will be updated at the beginning of each fiscal year when the Federal Aid Coordinators provide an updated list of allowable codes. These updates will be reviewed and approved by the Deputy Support Services Director.

Starting with FY 2002 all spreadsheets prepared by the Federal Aid Accountant for Federal Aid Reimbursement will be reviewed and approved by the Deputy Support Services Director.

CASH MANAGEMENT

01-31 Internal Controls Should Be Strengthened over Cash Management

**15.605-Sport Fish Restoration
15.611-Wildlife Restoration**

Fully Corrected

Starting with FY 2002, all spreadsheets prepared by the Federal Aid Accountant for Federal Aid Reimbursement will be reviewed and approved by the Deputy Support Services Director

MATCHING, LEVEL of EFFORT, EARMARKING

01-32 Internal Controls Should Be Strengthened over Matching

15.605-Sport Fish Restoration

15.611-Wildlife Restoration

Fully Corrected

All grants with the U. S. Fish and Wildlife Service are on a 75% Federal, 25% State matching basis. All spreadsheets that are used to compile Fish and Wildlife Draw downs set up to calculate 75% of allowable expenses. When grants are completed and financial reports are submitted to the Fish and Wildlife Service the accountants check to see that match requirements are met before they close the grant. The controls that are in place have prevented the making of improper draw down of funds to this point.

Starting with FY 2002, all spreadsheets that are prepared by the Federal Aid Accountant for Federal Aid Reimbursement will be reviewed and approved by the Deputy Support Services Director.

REPORTING

01-33 Internal Controls Should Be Strengthened over Reporting

15.605-Sport Fish Restoration

15.611-Wildlife Restoration

Fully Corrected

While we do not agree with the differences in license holders stated in the finding, we do concur that the calculation that was used to estimate the number of permit holders was not accurate.

The License Certification that is upcoming for the FY2003 grants will be reviewed, tested and approved by the Deputy Support Services Director.

01-34 Costs charged to Federal Programs Should Be Allowable Per Federal Regulations

15.605-Sport Fish Restoration

15.611-Wildlife Restoration

Fully Corrected.

All refunds were made to the U. S. Fish and Wildlife Service.

Signature:  (Agency Head)

Title: Executive Director

Date: 10/4/02

III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



STATE OF MISSISSIPPI

**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED JUNE 30, 2002**

Instructions to Management

In order to provide a systematic approach for agencies to respond to audit findings, the management of each agency was requested to follow the instructions listed below in preparation of the formal response to single audit findings and the corrective action plan.

For each AUDIT FINDING, the agency should include the following: (1) *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) type of compliance requirement, (3) audit finding number and finding heading, (4) response, and (5) corrective action plan. These items are discussed below:

1. Each CFDA number and program name should be listed in the same sequence presented in the management letter. The entire finding is not required to be repeated.
2. Each type of compliance requirement should be listed in the same sequence as presented in the management letter.
3. Each audit finding number and finding heading should be listed separately in the same sequence as presented in the management letter. The entire finding is not required to be repeated.
4. Responses of the agency to audit findings should be included directly below each audit finding heading. For each response, the agency should state whether they concur or do not concur with the individual finding and recommendation and the reasons why.
5. After an audit finding heading has been listed along with the corresponding agency response, the plan for corrective action should be listed using the following format:
 - a. Specific steps to be taken to correct situation.
 - b. Name(s) of the contact person(s) responsible for corrective action.
 - c. Anticipated completion date for corrective action.
 - d. Specific reasons why corrective action is not necessary, if applicable.

STATE OF MISSISSIPPI
Management Responses and Corrective Action Plans
Instructions to Management (concluded)

OMB Circular A-133, Section 400 requires audit findings to be resolved between federal agencies and audited agencies within six months after the receipt of the single audit report by the federal government. Audited agencies should maintain permanent files on all correspondence with the federal government during the audit resolution process. Federal agencies may ask for additional information pertaining to audit findings.

On the following pages, we have compiled the formal response to the findings and recommendations and the corrective action plan of each agency's management.



**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Henry L. Johnson
State Superintendent of Education

SINGLE AUDIT FINDINGS

February 21, 2003

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, Mississippi 39205-0956

Dear Mr. Bryant:

In accordance with your February 6, 2003, correspondence, the Department of Education is providing the following response and corrective action plan for the single audit finding for the fiscal year ended June 30, 2002:

AUDIT FINDING:

84.027 Special Education - Grants to States
84.173 Special Education - Preschool Grants

Period of Availability

02-24 Controls Should Be Strengthened to Ensure Proper Determination of
Obligation Date of Grant Expenditures

Response:

We concur with the finding.

Corrective Action Plan:

A. Specific steps to be taken to correct the situation:

The School Payment System (SPS) was implemented July 1, 2001 and is the current system for reimbursements to school districts. School districts request reimbursement of federal funds monthly via the Internet and are not required to send a paper request form to the Mississippi Department of Education (MDE). A certification statement is included on the Internet form, but currently the school districts are not required to enter the date(s) for which the funds are requested. During the 90 day liquidation period, a school district may request reimbursement of expenditures on a grant that is liquidating and a current grant. SPS will apply the funds requested to the liquidating grant until that grant has been fully liquidated.

Beginning in November of 2002, the MDE implemented a monthly procedure to assure that payments during the obligation period are charged to the correct grant. Once the requests are submitted by the school districts, MDE determines what school districts have grants that are in the liquidation period and have remaining balances. Those districts are contacted and the obligation of those expenditures as of the required date is verified. If the funds requested are not allowable expenditures of the liquidating grant, MDE applies the request to the current grant.

MDE will make program modifications to SPS that require the school districts to enter the date(s) for which the reimbursement is requested and indicate the obligation of expenditures for grants in the liquidation period. Once these system changes are in place, we will no longer need to contact the school districts.

B. Name of the contact person responsible for corrective action:

Diane Langham, Director
Office of Accounting

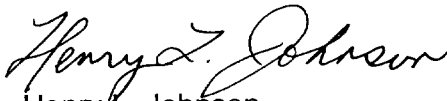
C. Anticipated completion date for corrective action:

The manual procedures were implemented in November of 2002.
The modifications in SPS should be completed by July 1, 2003.

Phil Bryant, State Auditor
February 21, 2003
Page 3

Should you have additional questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Henry L. Johnson". The signature is fluid and elegant, with the first letters of each word being capitalized and prominent.

Henry L. Johnson
State Superintendent of Education

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STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION

GARY ANDERSON
EXECUTIVE DIRECTOR

February 27, 2003

SINGLE AUDIT FINDING

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following is our response to the finding and recommendation contained in your Single Audit Management Report dated February 24, 2003.

AUDIT FINDING:

93.UN Various

ALLOWABLE COSTS/COST PRINCIPLES

02-21 Transfers from Self-Insurance Funds Should Not Include Federal Funds

Response: We concur with this finding.

Corrective Action Plan:

- A. We are in the process of developing a survey for completion by state agencies receiving federal funds. The purpose of this survey is to estimate the percentage of federal participation in the fund balances of the various trust funds and to make a preliminary determination of the amount due to the federal government. It is anticipated that there will be a negotiation process during the federal review of the Statewide Cost Allocation Plan (SWCAP) for the fiscal year ending June 30, 2002. At the conclusion of these negotiations, any required refunds will be made to the federal government.

Honorable Phil Bryant

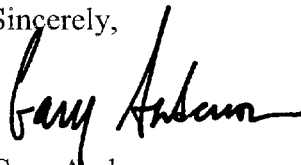
Page 2

February 27, 2003

- B. Mrs. Sandra Lohrisch, Director of the Office of Budget and Accounting, will be responsible for coordinating the corrective action.
- C. Surveys will be distributed to state agencies receiving federal funds within two weeks. Final settlement of this issue will depend on review of the state's SWCAP for fiscal year 2002 by the federal cognizant agency and subsequent negotiations with the federal government.
- D. Not applicable.

We appreciate the important work performed by your staff. If you should need additional information concerning this response, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary Anderson
Executive Director



MISSISSIPPI STATE DEPARTMENT OF HEALTH

SINGLE AUDIT FINDINGS

February 26, 2003

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following is our response to the Single Audit Findings contained in your letter dated February 4, 2003, for the Fiscal Year 2002 Audit:

AUDIT FINDINGS:

ACTIVITIES ALLOWED OR UNALLOWED

- | | |
|--------|---|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |
| 02-01 | <u>Control over Network Security Should Be Strengthened</u> |

Response:

We concur with all the findings with the exception of the generic user names. The generic login for the replication process is hard coded in the application. Until we can change the way we replicate data we will not be able to discontinue this login. Other generic logins are for use of our technical staff to be able to work on file servers in the field and for managers in the distribution centers to be able to back up data on the local servers. The back up program is currently loaded on the "Sys Volume" of the server. Until we are able to change that location, we will need the generic logon.

Corrective Action Plan:

The network administrator has been instructed to make all corrections

Brian W. Amy, MD, MHA, MPH, State Health Officer

570 East Woodrow Wilson * Post Office Box 1700 * Jackson, Mississippi 39215-1700
601/576-7634 * Fax 601/576-7931 * www.msdh.state.ms.us

Equal Opportunity In Employment/Services

outlined in the finding and to implement procedures to ensure network security is maintained.

ACTIVITIES ALLOWED OR UNALLOWED

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

02-02 Data Backup Procedures Should Be Followed

Response:

We concur with the finding.

Corrective Action Plan:

We are randomly checking file server sites to make sure the backup of data can be read without error. Help desk staff are working with field staff to be sure all staff are trained correctly on using backup procedures.

ACTIVITIES ALLOWED OR UNALLOWED

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

02-03 Controls over Data Security Should Be Strengthened

Response:

We concur with the finding.

Corrective Action Plan:

The Software Support team leader will be responsible for insuring this is done and will give the information to the lead network administrator to see proper network security is given. Security for the application is the responsibility of the lead software support person.

ACTIVITIES ALLOWED OR UNALLOWED

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

02-04 Computer Logs of Computer Viruses Should Be Maintained and Reviewed

Response:

We concur with the finding.

Corrective Action Plan:

A log of computer viruses will be maintained.

ACTIVITIES ALLOWED OR UNALLOWED

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

02-05 Computer System Policies and Procedures Should Be Developed

Response:

We concur with the finding.

Corrective Action Plan:

The Software Support team leader will be responsible for developing policies and procedures.

MATCHING, LEVEL OF EFFORT, EARMARKING

93.991 Preventative Health and Health Services Block Grant

02-06 Controls Over Earmarking Requirements Should Be Strengthened

Response:

Due to changes in the grant award, the earmarking of rape (non-education) funds is no longer an issue.

Corrective Action Plan:

All remaining earmarked funds, beginning July 1, 2002, are segregated in the accounting records for tracking purposes.

REPORTING

93.994 Maternal and Child Health Services Block Grant to the States

02-07 Controls Should Be Strengthened to Ensure Reports are Properly Supported:

Form 5

Response:

The MCH Block Grant monies are largely budgeted to the Districts through the allocation formula and the Districts then fund positions as they view their priorities. Additionally, costs are allocated through the time study which does not provide an adequate method to fully differentiate costs into the segments that are requested. Kathy Davis, HRSA state representative in the Atlanta Regional Office, agrees that estimates are currently the best that can be done.

Corrective Action Plan:

A system to estimate budgeted amounts and actual expenditures will be formulated by the Office of Health Services and the Office of Finance and Accounts.

Form 7

Response:

The Children's Medical Program (CMP) is Mississippi's Title V children with special health care needs (CSHCN) program. In FY 01, no data system existed to help determine the number of individuals served. Additionally, the number of CSHCN served included disabled children under the age of sixteen years served by the Mississippi Disability Determination Services (DDS) under a Memorandum of Understanding (MOU) with MSDH/CMP. We have been informed by our HRSA advisors at the Atlanta Regional Office that those CSHCN served under MOU with

DDS should be included within this number. We have been unable to obtain that number for the report year required, primarily due to the difficulty DDS has had in breaking the number down by age category required. Further, CMP serves more CSHCN indirectly through contracts with other agencies and organizations. These contract entities do not report to CMP total numbers of children served. Therefore, CMP has had to estimate the number of children with special health care needs (unduplicated) served through the Title V CSHCN program. CMP is certain that more CSHCN are served through the program than simply the number of CMP applications received and processed by MSDH/CMP. CMP will continue to work with DDS to get appropriate numbers for the required report year. The percentages cited for CSHCN for Primary Source of Coverage, (columns B,C,D, and E), are accurate numbers from the sample population of Blake Clinic for Children, the CMP primary and largest CSHCN clinic. The total Blake Clinic population primary sources of coverage are surveyed for each report year and the results tabulated for this report.

Corrective Action Plan:

For the purpose of this report, CMP will institute a requirement in each program contract that the contractor report to CMP the number of CSHCN served (unduplicated) for the contract year.

Form 8

Response:

Data related to Deliveries and Infants Served by Title V and Entitled to Benefits Under Title XIX come from an external source, the Mississippi Division of Medicaid.

Corrective Action Plan:

We are working with data contacts within the Division of Medicaid at this time to develop reporting methodologies which will allow accurate counts and reports for the next reporting cycle.

REPORTING

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Mr. Bryant
February 26, 2003
Page 6

02-08

Control Should be Strengthened over Supervisory Review of Federal Reports Prior to Submission

Response:

We concur with the finding.

Corrective Action Plan:

The Accountant/Auditor prepares the report which is reviewed by Program Management. The referenced report will be signed by the following managers:

Division Director
WIC Director

Management will closely monitor and verify posting of actual data.

SUBRECIPIENT MONITORING

93.991

Preventative Health and Health Services Block Grant

02-09

Controls Over Subrecipient Monitoring Should Be Strengthened

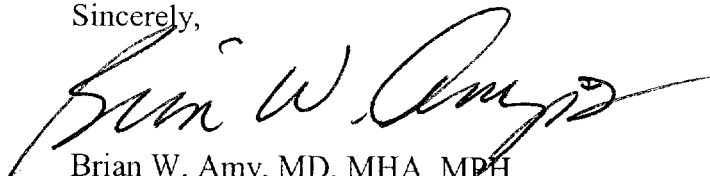
Response:

We concur with the finding.

Corrective Action Plan:

Mississippi State Department of Health will implement procedures to ensure all subrecipients are monitored by developing a schedule of proposed site visits that will be maintained by the Director of Women's Health. A review of all monitoring reports will be documented by the supervisor's signature.

Sincerely,



Brian W. Amy, MD, MHA, MPH
State Health Officer

BWA/ckb



STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
THELMA W. BRITTAIN
EXECUTIVE DIRECTOR

February 21, 2003

SINGLE AUDIT FINDINGS

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following are our responses and corrective action plans to the Single Audit as outlined in the Department of Human Services audit performed for the year 2002.

AUDIT FINDINGS:

93.558 Temporary Assistance for Needy Families

Federal Award Number and year: G-0201MSTANF, 2002

02-10 Controls Should Be Strengthened Over Allowable Costs

Response:

The Agency concurs with the audit finding and recommendation that existing controls be strengthened for allowable cost principles and that the Agency re-evaluate its policies of allowing sub-recipients to request a two-month advance, restricting case advances to immediate needs. The Agency also concurs that changes made to requests for cash by Agency personnel be clearly communicated to the sub-recipient.

Corrective Action Plan

- A. The Agency will limit sub-recipients to a one-month cash advance and thereafter, they are limited to one month per request for cash, based on needs demonstrated on reporting worksheets. The Sub-Grantee Manual is currently being revised and will include a clear definition of immediate cash needs.
- B. The contact person on this corrective action is Pam Simpson, Director of the Division of Economic Assistance.
- C. Both of these actions will be completed prior to any sub-grants becoming effective October 1, 2003.

93.667 Social Services Block Grant

Federal Awards Number and Year: G-0201-MS-SOSR, 2002

02-11 Controls over Allowable Costs Should Be Strengthened

Response:

We concur with this finding.

Corrective Action Plan Format

- A. The proper steps are being made to adhere to the recommendations of the auditors. It is noted that SSBG handles all forms, including all Requests for Cash, within 24 hours of receipt. The time frame referenced in the finding does not reflect the amount of time needed to process nor mailing of the funds, which is not handled in our division. Current needs/cash advance and cost reimbursement methods have defined and will be included in the next revision of the Subgrantee Manual. Also, each subgrantee has been notified of non-compliance in regards to submission of the Reporting Worksheets by the tenth day of the following calendar month as required in MDHS's Subgrantee Manual, Sec 5, Pg. 17. Efforts are being made to bring each subgrantee to compliance.

Phil Bryant
February 21, 2003
Page 3

B Derra Dukes, Director
Eriaka Jones, Fiscal Officer
Office of Social Services Block Grant

C. In progress now

93.667 Social Services Block Grant

Federal Awards Number and Year: G-0201-MS-SOSR, 2002

02-12 Controls over Earmarking Requirements Should Be Strengthened

Response:

We concur with this finding and will make the appropriate changes necessary for compliance in regards to recommendation provided by the Office of State Auditor.

Corrective Action Plan:

- A. Notification of the specifications of the special circumstances for utilization of TANF funds have been given to the Division of Family and Children Services. Verification is in the progress with monitor visits being scheduled within the current fiscal year.
- B. Derra Dukes, Director
Eriaka Jones, Fiscal officer
Office of Social Services Block Grant
- C. Fiscal Year 2004

93.558 Temporary Assistance for Needy Families:

Federal Award Number and Year: G-0101-MSTANF, 2002

02-13 Competitive Procurement Practices Should Be Followed for the TANF Program

Response:

The Agency does not concur with the finding regarding funding proposals with scores less than eighty. Due to the volume of proposals, the Agency had to utilize reviewers who were inexperienced in reviewing RFP's and had no programmatic experience. Their scores and comments were a preliminary evaluation and although each reviewer noted a funding recommendation, theirs was not a final funding decision. The Division Directors and Programmatic Reviewers had the option to disagree with the reviewers' recommendations based on prior knowledge and programmatic experience. These recommendations were then submitted to upper management for final approval.

The Agency concurs with the finding that one proposal with prior monitoring findings and questioned costs was approved for funding. However, the recommendation for funding was made prior to the monitoring findings and questioned costs. When this information became available, instructions were given to withhold funds to the organization; however, due to Agency error, one \$30,000 payment was made.

The Agency concurs with the finding that it is unwise to fund organizations with prior monitoring findings and questioned costs. The Agency has a procedure in place to check for monitoring findings and questioned costs prior to funding; however, management at the time did not choose to utilize this process. Because of the lack of response to the Special Needs RFP, the Agency elected to expend funds allocated for that project on a non-competitive basis with vendors who had previously worked with MDHS.

Corrective Action Plan:

Corrective action was been taken for the sub-grants in effect at this time to prevent funding an organization with outstanding monitoring findings and questioned costs. The Monitoring Unit was involved in the proposal review process and unresolved monitoring findings and questioned costs were checked for each proposal prior to

funding. The recommendation for funding has also been removed from the first tier reviewers' worksheets since it has no impact on the final recommendation.

93.558 Temporary Assistance for Needy Families

Federal Award Number and Year: G-0101-MSTANF, 2002

02-14 Controls Reporting Should Be Strengthened

Response:

MDHS was made aware of the error by both the State Auditor's Office as well as the Atlanta ACF office. MDHS acknowledges the overstating of expenditures and has filed a revised ACF-196 for the expenditures in question. The expenditures have been removed from the ACF-196.

Corrective Action Plan

A. The agency has developed revised spreadsheets for recording payments. These new spreadsheets separate all different payments to an individual page as opposed to consolidating all of them on one page. This separation will prevent this type of error from occurring in the future.

The agency has procedures for reviewing reports and will continue to follow these procedures to ensure the accuracy of the prepared reports.

B. Brian Daniel
Office of Budgets And Accounting

C. November 5, 2002

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Federal Award Number and Year: Various

02-15 Control Over Monitoring Subrecipient Audit Requirements Should Be Strengthened

Response:

The Agency concurs with the finding.

Corrective Action Plan:

A. Specific Steps to be Taken to Correct the Situation:

Initial reminder letters will be issued to all subrecipients with active subgrants during the state fiscal year. Reminder letters will be issued by the end of January to any subrecipients that have not submitted an audit report, if required, or the Subrecipient Audit Information Form to document that an audit was not required.

A tracking form will be devised and utilized to ensure that the audits are monitored on a monthly basis.

If an audit report for the Subrecipient Audit Information Form has not been received by the deadline, which is nine (9) months from the end of the subrecipient's fiscal year, the Funding Division will be contacted to ensure the appropriate corrective action will take place.

B. Hattie Armstrong, Director
Bureau of Audit and Evaluation

C. The corrective actions will be implemented for the current SFY 2003 subgrant audits and should be completed by February 28, 2003.

10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program
93.558 Temporary Assistance for Needy Families
93.667 Social Services Block Grant

Federal Award Number and Year: Various

02-16 Controls Over Subrecipient Monitoring Should Be Strengthened

Response:

The Agency concurs with the finding.

Corrective Action Plan:

A. Specific Steps to be Taken to Correct the Situation:

The agency has revised its policy to extend the time for supervisory review and approval of monitoring workpapers from thirty calendar days from the exit conference to sixty days.

Monitoring Supervisors will provide an account each month to the Bureau of Audit and Evaluation Director on the status of all subgrants forwarded to the Bureau of Audit and Evaluation to be monitored.

B. Hattie Armstrong, Director
Bureau of Audit and Evaluation.

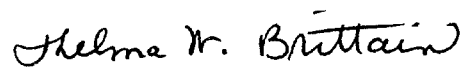
C. The corrective actions will be implemented for the current SFY 2003 subgrant monitoring and should be completed by February 28, 2003.

We appreciate the courtesy and professionalism demonstrated by Marilyn Purvis and her field staff throughout the audit. Should you have any questions regarding our responses or corrective

Phil Bryant
February 21, 2003
Page 8

action plans, please feel free to contact Peter Boulette of the Division of Budgets and Accounting at 601-359-4665.

Sincerely,

A handwritten signature in cursive script that reads "Thelma W. Brittain".

Thelma W. Brittain
Executive Director

TWB:PB:klm



STATE OF MISSISSIPPI

OFFICE OF THE GOVERNOR
DIVISION OF MEDICAID

RICA LEWIS-PAYTON
EXECUTIVE DIRECTOR

SINGLE AUDIT (CONTROLS) FINDINGS

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

February 28, 2003

Dear Mr. Bryant:

Your letter of January 30, 2003, presented the results of an audit of the selected accounts included on the financial statements of the Office of the Governor - Division of Medicaid for Fiscal Year 2002. Additionally, it included the results of an audit of federal financial assistance. Our replies to the specific findings are noted in the responses and corrective action plans that follow:

AUDIT FINDINGS:

CFDA

Number Reportable Conditions/Immaterial Noncompliance

Finding and Recommendation

93-778 Medical Assistance Program

Federal Award Number and Year: 050205MS5028, 2002

02-19 Procedures Should Be Implemented to Ensure Audits of Long-Term Care Facility
Cost Reports are Performed in Accordance with the State Plan

Response: At this time, only the five outstanding audits from Cost Report Year 1998 are overdue. All other outstanding audits are not yet due and are scheduled to be completed timely.

Under state law, providers must keep their documentation for three years after they submit their cost reports to the Bureau of Reimbursement. The Bureau of Reimbursement does not release the cost reports to the Bureau of Compliance and

Financial Review (BCFR) until 15 to 18 months after they are submitted by the providers. Therefore, the BCFR has approximately 18 - 21 months to schedule field audits to accommodate the three-year documentation retention requirement.

The status of the outstanding audits as of January 22, 2003 is as follows:

The audits for Calendar Year 1998 should have been completed by May 31, 2002. Of the 49 audits for Calendar Year 1998, 44 audits are complete. Final reports for the remaining five audits should be issued no later than February 28, 2003.

The audits for Calendar Year 1999 are due to be completed by May 31, 2003. The BCFR has completed 19 of the 62 Calendar Year 1999 audits. On the current schedule, the BCFR will have performed and completed all of the Calendar Year 1999 audits no later than April 30, 2003, which is 14 audits more than the number of audits required by the State Plan (25%) and which is one month prior to our agency's three year due date.

Corrective Action: The audits for Calendar Year 2000 are due to be completed by May 31, 2004. For the 61 audits for calendar year 2000, BCFR staff have performed 1 audit.

93.778 Medical Assistance Program

Federal Award Number and Year: 050205MS5028, 2002

02-20 Controls Should Be Strengthened to Ensure Long-Term Facility Rates are Adjusted Timely after Audit Reports are Issued

Response: We concur that rate adjustments to 1997 cost reports as a result of audits completed in July 2001 have not been made. The failure is not, however, due to a lack of control; there is a detailed log relative to the outstanding audit adjustments, and this log is updated on a regular basis and monitored by management no less often than monthly. The problem is that the Bureau of

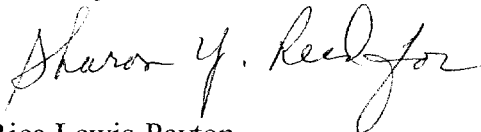
Phil Bryant, State Auditor
February 28, 2003
Page 3

Reimbursement is seriously understaffed, having lost over half of all senior staff members over the past year and a half and being unable to hire replacement staff of similar training and experience.

Corrective Action: The Bureau is in the process of instituting changes that will free up staff time for the purpose of clearing the backlog, and we have set our goal to accomplish this during calendar 2003. Further, Reimbursement mid-level staff have now acquired sufficient experience and knowledge to be able to be trained in this aspect, and consequently the Bureau will have more than one person capable of working the backlog.

Please call Bob Pilgrim at 359-6050 if you have any questions relative to our responses and corrective action plans.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon Y. Reed for", written in dark ink.

Rica Lewis-Payton
Executive Director

RLP/BP/rcc

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STATE OF MISSISSIPPI
RONNIE MUSGROVE, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
ROBERT J. ROHRLACK, JR., CED
EXECUTIVE DIRECTOR
SINGLE AUDIT FINDINGS

February 28, 2003

Mr. Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
Post Office Box 956
Jackson, Mississippi 39205-0956

Dear Mr. Bryant:

This letter is in response to your letter of January 29, 2003 concerning the Single Audit Findings for the Mississippi Development Authority for the fiscal year ended June 30, 2002. We were pleased to note that no reportable conditions were considered to be material weaknesses. Our responses to the two non-material reportable conditions are as follows:

CFDA Number and Program Name

14.239 HOME Investment Partnerships Program
Federal Award Number and Year: M00-SG280100, 2000

02-17 Internal Controls over Reporting Should Be Strengthened

Response: MDA concurs that greater care should be exercised when reports are reviewed by supervisory personnel to ensure propriety before submission to the federal grantor agency. We will submit a revised report to the U.S. Department of Housing and Urban Development (HUD).

The section of this finding involving the certification of the forms and the processes to ascertain that all forms were completed and filed with MDA by the subcontractees related to the auditors finding that the subcontractors were not in compliance with MDA's Home Implementation Manual. The Manual required reporting by the subcontractors. Subsequent to our receipt of this finding, the MDA Comptroller and the State Auditor's Audit Supervisor over our engagement contacted the HUD field office to determine if MDA could, in fact, mandate the filing of a form that HUD

considers as “voluntary” and require a certification by the preparer. As expressed by the field office, HUD encourages the collection of this data; it is not required nor is a certification required to certify the data. The HUD field office stated that they recognized that the data submitted on the state’s report was merely a compilation of information submitted on the Contract and Subcontract Activity Report.

Corrective

Action Plan: MDA will exercise greater care when reports are reviewed by supervisory personnel. MDA has developed a spreadsheet as recommended by the auditors to enter the information required on the Annual Performance Report form. MDA will make the corrections to the previously submitted report and submit to HUD.

MDA will reword language in the HOME Implementation manual encouraging the submission of the Contract and Subcontract Activity Report, in lieu of mandating its filing.

CFDA Number and Program Name

14.239 HOME Investment Partnerships Program
Federal Award Number and Year: Various

02-18 Internal Controls Should Be Strengthened over On-site Inspections

Response: MDA concurs with this finding.

Corrective

Action Plan: While MDA concurs with this finding, progress has been made in tracking the inspections and conducting the inspections. The two errors in the tracking system have been corrected. MDA does now have form letters to report documenting results of an inspection and these letters are submitted to the management company responsible for the project. When non-compliance is noted, the appropriate letter is issued to indicate the correction(s) that must be made. MDA takes a stronger stance than requiring a correction action plan; we require that the units be corrected and once the corrections are made, the management company is required to notify MDA for a re-inspection.

Mr. Phil Bryant
Page 3
February 28, 2003

MDA will pursue hiring a contract worker to assist in the input of this information. MDA will change the structure of the review of the inspections, inspection tracking system, and written reports. A staff person will be assigned to input the proper due dates for the inspections and the dates the inspections are conducted. This information will be provided monthly to the staff person responsible for the inspections. The inspection tracking reports and the management letters will be reviewed by the Manager of the Housing and Compliance area and the Bureau Manager.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact Lynda Dutton at 359-2917.

Sincerely,



Robert J. Rohrlack, Jr., CED
Executive Director

RJR:LD:km

cc: Lynda Dutton
Sam Mozee
Deborah Franklin

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Mississippi Department of Rehabilitation Services

Providing the freedom to live

Single Audit Findings

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The Mississippi Department of Rehabilitation Services is pleased to respond to the following Single Audit Findings resulting from the Single Audit performed by your office for State Fiscal Year 2002.

AUDIT FINDINGS:

02-23 Reported Expenditures for State Match Should Agree to Accounting Records

Response:

We concur with the auditor's statement that not all of our state match, associated with the 2001 Basic Support Federal grant, was transferred to the 2000 (state appropriated) treasury funds by September 30, 2001. Although the majority of the match was reflected in these treasury funds, there was less than twelve percent of our total match that remained in our 3000 treasury funds at September 30th. However, based on further review and additional documentation provided, we feel that a determination could have been made that the state match associated with the 2001 Federal Grant had been met.

Corrective Action Plan:

We have revised our procedures for transferring expenditures from our 3000 treasury funds to our 2000 treasury funds and Health Care Expendable Funds (HCEF), in that transfers are now made at least on a monthly basis, after preparation of monthly Cash Worksheets. Among other uses, the Cash Worksheets will be used to compare the actual state match incurred to the amount of state match actually reported in our 2000 and HCEF treasury funds. After completion of the Cash Worksheets and subsequent supervisory approval,

transfers will be made in accordance with balances reported on the respective Cash Worksheets. Since our federal regulations state that funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the matching requirement has been met in the first year, we will perform additional reviews in the months of July through September to ensure that all applicable state match is reported in either the 2000 funds and HCEF treasury funds, by September 30th, as to provide the necessary audit trail.

Should you have any questions regarding the Responses or Corrective Action Plans, please feel free to contact Mr. Chris Howard, Director of the Office of Financial Management at 853-5220.

Sincerely,

A handwritten signature in cursive script, appearing to read "H.S. McMillan".

H.S. McMillan
Executive Director

pc: Chris Howard



STATE OF MISSISSIPPI
TREASURY DEPARTMENT

POST OFFICE BOX 138
JACKSON, MISSISSIPPI 39205
TELEPHONE (601) 359-3600

MARSHALL BENNETT
STATE TREASURER

February 5, 2003

Honorable Phil Bryant
State Auditor
State of Mississippi
8th Floor, Woolfolk State
Office Building
Jackson, Mississippi 39201

Dear Mr. Bryant:

We have reviewed the financial audit findings in reference to our fiscal year 2002 audit. Listed below are our responses and plan for corrective action.

AUDIT FINDING: 02-25 Improve physical controls over network hardware.

Response: We concur with this finding.

Corrective Action Plan: The network computer equipment area is the only area currently available for this equipment. The Treasury has notified DFA regarding this finding. The Treasury has developed a plan that would secure this equipment behind an enclosed wall and a locked door. This plan is being discussed with DFA and should be implemented in the near future. DFA is being furnished with a copy of this audit finding.

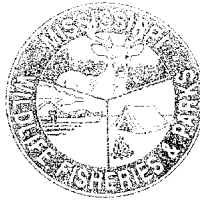
Please let me know if I may be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Marshall Bennett". The signature is fluid and cursive, with the first name "Marshall" and last name "Bennett" clearly distinguishable.

Marshall Bennett
State Treasurer

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MISSISSIPPI
DEPARTMENT OF WILDLIFE, FISHERIES AND PARKS

SAM POLLES, Ph.D.
Executive Director
February 21, 2003

SINGLE AUDIT FINDINGS

Honorable Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
501 North West Street Suite 801
Jackson, MS 39205-0956

Dear Mr. Bryant:

We are in receipt of the single audit finding and recommendation for the Department of Wildlife, Fisheries and Parks for fiscal year 2002.

The audit of selected accounts disclosed the following reportable condition that the department has corrected:

15.605-Sportsfish Restoration
15.611-Wildlife Restoration

Reporting:

02-22 Internal Controls Should Be Strengthened over Reporting

On July 1, 2002, Fiscal Year 2003, the department implemented a state wide electronic license/permit sale system which includes programing to identify duplicate license/permit holders. Pursuant to the *Code of Federal Regulations* (50 CFR 80.3) the department will provide annually, accurate license/permit holder certification eliminating all duplicates.

We would like to thank your audit staff for their professional approach to this review process. We consider this input beneficial to the agency's cash management process. Please contact me for any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Polles", written over the word "Sincerely,".

Sam G. Polles, Ph. D.
Executive Director

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IV. INDICES



STATE OF MISSISSIPPI

**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FEDERAL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2002**

1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: Pages 55-64
3. U.S. Department of Commerce: None
4. U.S. Department of Defense: None
5. U.S. Department of Housing and Urban Development: Pages 65-67
6. U.S. Department of the Interior: Page 69
7. U.S. Department of Justice: None
8. U.S. Department of Labor: None
9. U.S. Department of Transportation: None
10. Appalachian Regional Commission: None
11. General Services Administration: None
12. National Foundation on the Arts and the Humanities: None
13. Tennessee Valley Authority: None
14. U.S. Department of Veterans Affairs: None
15. Environmental Protection Agency: None
16. U.S. Department of Energy: None
17. Federal Emergency Management Agency: None
18. U.S. Department of Education: Pages 71-73
19. U.S. Department of Health and Human Services: Pages 75-92
20. Corporation for National and Community Service: None
21. Social Security Administration: None

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STATE OF MISSISSIPPI

INDEX OF FINDINGS AND RECOMMENDATIONS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2002

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Corrections: None
8. Education: Page 71
9. Emergency Management: None
10. Employment Security: None
11. Environmental Quality: None
12. Finance and Administration: Page 75
13. Forestry Commission: None
14. Health: Pages 55, 76
15. Human Services: Pages 61, 80
16. Library Commission: None
17. Marine Resources: None
18. Medicaid: Page 90
19. Mental Health: None
20. Military Department: None
21. Mississippi Development Authority: Page 65
22. Narcotics: None
23. Oil and Gas Board: None
24. Plant Industry: None
25. Public Safety: None
26. Public Service Commission: None
27. Rehabilitation Services: Page 72
28. Secretary of State: None
29. Soil and Water Conservation Commission: None
30. State Fire Academy: None
31. Supreme Court: None
32. Transportation: None
33. Treasury: Page 51
34. Veterans Affairs Board: None
35. Wildlife, Fisheries and Parks: Page 69

Note: If findings and recommendations related to an agency appear on more than one page in a sequence, only the first page is indicated in the above reference.

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STATE OF MISSISSIPPI

INDEX OF FINDINGS AND RECOMMENDATIONS
LISTED BY FINDING NUMBER
FOR THE YEAR ENDED JUNE 30, 2002

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
02-01	55	Health
02-02	56	Health
02-03	57	Health
02-04	58	Health
02-05	59	Health
02-06	76	Health
02-07	77	Health
02-08	60	Health
02-09	78	Health
02-10	80	Human Services
02-11	81	Human Services
02-12	82	Human Services
02-13	83	Human Services
02-14	86	Human Services
02-15	61, 87	Human Services
02-16	63, 89	Human Services
02-17	65	Mississippi Development Authority
02-18	66	Mississippi Development Authority
02-19	90	Medicaid
02-20	92	Medicaid
02-21	75	Finance and Administration
02-22	69	Wildlife, Fisheries and Parks
02-23	72	Rehabilitation Services
02-24	71	Education
02-25	51	Treasury

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STATE OF MISSISSIPPI

**INDEX OF MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2002**

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Corrections: None
8. Education: Page 125
9. Emergency Management: None
10. Employment Security: None
11. Environmental Quality: None
12. Finance and Administration: Page 129
13. Forestry Commission: None
14. Health: Page 131
15. Human Services: Page 137
16. Library Commission: None
17. Marine Resources: None
18. Medicaid: Page 145
19. Mental Health: None
20. Military Department: None
21. Mississippi Development Authority: Page 149
22. Narcotics: None
23. Oil and Gas Board: None
24. Plant Industry: None
25. Public Safety: None
26. Public Service Commission: None
27. Rehabilitation Services: Page 153
28. Secretary of State: None
29. Soil and Water Conservation Commission: None
30. State Fire Academy: None
31. Supreme Court: None
32. Transportation: None
33. Treasury: Page 155
34. Veterans Affairs Board: None
35. Wildlife, Fisheries and Parks: Page 157

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V. ACKNOWLEDGMENTS



ACKNOWLEDGMENTS

REPORT PREPARED BY:

Phil Bryant, State Auditor
Norman McLeod, CPA, Director, Department of Audit
Rodney D. Zeagler, CPA, Director, Financial and Compliance Audit Division
William R. Doss, CPA, Director, Agency Audit Section

Many thanks to the following managers, supervisors and field staff of the Office of the State Auditor for their efforts in gathering information contained in this Single Audit Report:

Managers

Laura Jackson
Rob Robertson
Sharon Smiley, CPA, CPM

Supervisors

Vicki Alvey
Tonya Bierman
Adam Bunch
Karlanne Coates, CPA
Roy Patrick, CGFM
Marilyn Purvis, CGFM

Field Staff

Lutrina Bledsoe	Susan Kimbrough, CFE
Judy Bounds	Jada Kirk
Amy Buller, CPA	Bobbie Meadows
Deana Coleman	Mary Jo Milner
Sarita Daniels	Daphonie Moulder
Johnnie Davenport	Brian Quinn
Carla Dawkins	M. Diane Sanders
Dawn Gibbons	Eleace Sawyers
Wendi Goodwin	Geeta Sethi
Laura Griffin	Jay Strait
Liza Hammett	Mike Sumrall, CISA
Cecil Hinds	Lucreta Walker
Kayla Jackson	
LaRondia Johnson	
Scott Joyner, CISA	

Special thanks to Jacqueline Thomas and Dianne Guinn for their help in processing this report.

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